

Sir Geoffrey Howe, the British foreign secretary, left, listening to Jacques Delors, president of the EC Commission, at Sunday's meeting of EC foreign ministers in Brussels.

EC Faces a North-South Split As Leaders Open Budget Talks

By Peter Maass
International Herald Tribune
BRUSSELS — Less than a mile from the site of this week's European Community summit meeting is a fair that features the best in EC food, drink and entertainment. Marking the community's 30th anniversary, the fair even uses the European currency unit as legal tender.

Kiosk 3 U.S. Soldiers Die in Explosion

HOHENFELS, West Germany (Reuters) — Three U.S. soldiers were killed Monday and 12 were injured in an accidental demolition charge during a routine exercise at an American training ground, a U.S. army spokesman said.

Angolans Release An American Pilot

LUANDA, Angola (AFP) — The Angolan government on Sunday released Joseph Longo, an American pilot who had been detained since April 24, when his plane was shot down in southern Angola for violating the country's airspace.



Mark McGwire, a rookie with the Oakland Athletics, hit five home runs in weekend baseball games. Page 13.

GENERAL NEWS
President Reagan's friends and foes say he is at the weakest point in his presidency. Page 3.
BUSINESS/FINANCE
A novel approach to loan restructuring, using U.S. Treasury bonds, could help resolve the world debt crisis. Page 7.

Seoul Hints at Flexibility

Official Suggests Constitution Could Be Revised

By John Burgess
Washington Post Service

SEOUL — The ruling Democratic Justice Party hinted over the weekend at new concessions to the opposition, whose leaders met Sunday to consider the offer of talks that reportedly would include the holding of new elections and the rewriting of South Korea's constitution.

The capital and provincial cities, which were rocked by often-violent rallies Friday, generally were quiet on Saturday and Sunday.

Meese's Role: Protect Reagan

Attorney General May Have Obscured Iran-Contra Details

By Walter Pincus
Washington Post Service

WASHINGTON — Attorney General Edwin Meese 3d, in a televised announcement last Nov. 25, broke the news that millions of dollars from the secret sale of U.S. arms to Iran had been diverted to help the Nicaraguan rebels, whom Congress had banned from receiving U.S. aid.

High Tech Actually Cuts Productivity in U.S. Service Industry

By Keith Schneider
New York Times Service

WASHINGTON — Nearly a generation after U.S. technology companies unleashed a new wave of computers, telecommunications gear and electronic equipment, executives and employees are discovering that the sophisticated machines in many cases have hampered their work.



Gadhafi in Algiers, Reportedly to Discuss Unity Plan

Colonel Moammar Gadhafi, the Libyan leader, left, being greeted by Chadli Bendjedid, the Algerian president, on his arrival Sunday in Algiers. Algerian official sources said the two leaders would discuss Libya's call for a political merger between the two countries. Since 1969, Colonel Gadhafi has tried to merge Libya with Morocco, Tunisia, Niger, Chad, Egypt and Sudan.

U.S. Sets Gulf Plan For July

Shultz Defends Tanker Escorts, Opposes Delay

By Don Oberdorfer
Washington Post Service

WASHINGTON — Secretary of State George P. Shultz said Sunday that the Reagan administration was moving rapidly to begin naval protection by mid-July of Kuwaiti oil tankers under the U.S. flag despite misgivings in Congress and calls for a delay.

Drug Abuse Soars in Asia, Study Finds

By Michael Richardson
International Herald Tribune

SINGAPORE — Fueled by the ready supply of opiates, heroin addiction and other forms of drug abuse are growing rapidly in six Asian countries traditionally involved in large-scale narcotics trafficking to the West, U.S. government study has found.

OPEC Revises Output, But Iraq Rejects Quota

Compiled by Our Staff From Dispatches

VIENNA — The Organization of Petroleum Exporting Countries announced Saturday that it would increase its oil production for the second half of this year, but by less than it had originally planned, in order to protect its \$18 a barrel benchmark price.

U.S. MBA Programs in Europe: Meeting a Need, but How Well?

By Nina Martin
International Herald Tribune

PARIS — As campuses go, the Hartford Business School's here is rather compressed: some classrooms, a couple of offices, a magazine reading room and a bank of computers that glow greenly morning and night.

The Americans 'seem to be going after the lower portion of students.'

—Sybren Timjstra, European Foundation for Management Development.

that sets curriculum standards for MBA programs in the United States.

In Economic Plan, Gorbachev Seeks to Ease Rigid Price System

By Felicity Barringer
New York Times Service
MOSCOW — At the Central Market, a vendor sat behind an assortment of choice strawberries, telling the few inquiring shoppers that the berries cost the equivalent of \$3.50 a pound. There were few buyers, and no line.

At the same time on a street nearby, a government truck delivered 30 small crates of strawberries — some ripe, some overripe, some moldy — selling at \$2.40 a pound (about 450 grams). A scolding saleswoman shoved them into the bags of customers who had waited 15 minutes in line.

The strawberry scene spoke eloquently of the bizarre anomalies of the Soviet pricing system and its byproducts: unreasonably high or low prices and long lines for products whose quality is uneven at best.

The rigid pricing system is a complex fabric of government controls and subsidies with isolated patches of quasi-free market economies, including farm markets that sell produce from private plots.

It is this system that Mikhail S. Gorbachev is proposing to alter with his program, for which guidelines were approved Friday by the Communist Party's Central Committee, to gradually introduce price flexibility in the Soviet economy.

Inherent in the issue of prices, according to Western and Soviet

analysts, are the main difficulties that face most of the Soviet leader's initiatives in his broad drive to remake Soviet society:

- Reining in a powerful bureaucracy, in this case the State Committee for Prices, known by the acronym Goskomtsen. It sets more than 200,000 wholesale and retail prices annually, on everything from raw materials like ore and grain to bread, shoes, chinaware and cars.
- Potentially tampering with a basic tenet of Communist ideology and the Soviet social contract, in this case overall price stability and dramatically low prices on basic foods, housing, education and mass transit.
- Taking a cumbersome, inefficient but predictable system and introducing an element of the unknown, in this case, a limited role for competitive forces and the possibility of politically explosive inflation. Food price increases in Eastern Europe sometimes have caused protest and political instability.

A Western diplomat predicted last week that conservatives would call the pricing innovations a threat to the basic order of Communism. The present system, he said, is a known quantity, but Mr. Gorbachev's proposals are "jumping out into the unknown."

How fast and how far Mr. Gorbachev will jump on the price issue is still under discussion, according

Dissidents Want Approval for Journal

New York Times Service
MOSCOW — A group of dissidents and freed political prisoners has written the first issue of an unofficial journal of news and opinion and has asked the Soviet government for permission to publish it in the Soviet Union and abroad.

The magazine, called Glasnost, after the policy of freer expression proclaimed by the Soviet leader, Mikhail S. Gorbachev, would apparently be the first privately controlled periodical to be published openly in the Soviet Union. Unlike *novistka*, or self-published newsletters, which have long been part of the dissident underground, the new journal sets out to do everything in the open.

The 56-page inaugural issue is being withheld from distribution until early July to give Soviet officials a chance to react; they were given copies on June 19. The editor, Sergei Grigoryants, a literary critic released from prison in February after serving four years for his work on a clandestine human-rights journal, said that 50 to 100 copies of the first issue would be distributed next month, whether or not permission is given.

to Abel G. Aganbegyan, the economist who explained the economic proposals at a news conference.

Mr. Aganbegyan explained that the alternatives under discussion were either a stage-by-stage shift in the present pricing mechanisms, with the first stage affecting only wholesale prices, or an overall re-examination of wholesale, retail and agricultural prices, with no changes before 1990.

The guidelines for Mr. Gorbachev's economic changes said prices should be made "an effective instrument for raising the efficiency of social production, for developing economic management methods and for deepening cost-accounting and self-financing."

The role of the price-fixing committee would be reduced in part by increased freedom of factories and large enterprises to contract directly with each other for industrial goods.

The Central Committee program said that wholesale prices should be amended to reflect production costs more accurately and that raw materials and fuel, such as heating oil, should be priced to reflect pro-

duction cost and to discourage waste.

Until now, U.S. specialists say, wholesale prices were supposed to be roughly equivalent to production cost. But there was little incentive to keep costs down because of widely available subsidies.

In contrast, retail prices were supposed to be set at a level that would guarantee a balance between supply and demand. This was a goal that largely was not met, judging by the periodic shortages of everything from fruit to furniture.

Prices also were used to insure that some products were accessible to low-paid workers. Meat in state stores in Moscow and other cities sells at less than half the cost of production. Like other foods, particularly bread, it is heavily subsidized.

According to Mr. Gorbachev's speech to the Central Committee on Thursday, the Soviet economy spends 73 billion rubles a year (about \$120 billion) in subsidies. More than 50 billion rubles of this goes to agriculture.

The farm subsidy has increased 150 percent in the last 10 years, and is now more than 12 times the 1966 level of four billion rubles, according to articles in the Soviet press.

"What is happening?" asked a professor of economics, R. Khabulov, writing in *Komsomolskaya Pravda*. "Agricultural productivity is virtually at a standstill and the inefficiency is forcing up subsidies."

The average Soviet wage is slightly under 200 rubles a month. Even with subsidies, about 30 percent of the total is spent on food, according to a 1985 Soviet survey, compared with 19 percent by American families, Soviet economists said.

To increase the prices of bread and meat, for example, which have changed little in decades, without increasing salaries is to ask for social unrest.

But to increase the salaries inevitably means an increased price for the goods that the worker produces, and the essential elements for inflation are then present.

In his remarks, Mr. Aganbegyan stressed that whatever price changes were made would come only after "wide discussion with the population."

The rise in food costs, he said, would "result in raises for the lower-paid population, for those who have large families, and so on."

And what about inflation? The world did not appear in the discussion of prices in the Central Committee blueprint. The most it would caution was that it was necessary "to overcome the tendency toward the growth of prices on the basis of the development of the competitive power of enterprises."

"This was a prescription for letting competition achieve the desired price-cutting effect."

WORLD BRIEFS

Socialist Unit Asks Waldheim to Quit

VIENNA (Reuters) — The Vienna section of Austria's Socialist Party, a partner in the governing coalition, has called on President Kurt Waldheim to resign. Mr. Waldheim is backed by the other coalition partner, the Austrian People's Party.

The call for him to step down was approved Saturday, 268 to 217, at a regional party congress against the wishes of some party leaders, including Chancellor Franz Vranitzky and the national party chairman, Fred Sinowatz. Mr. Waldheim has been accused of covering up his role with the German Army in World War II.

Josef Hinderle, president of the Federation of Socialist Freedom Fighters, which sponsored the resolution, said there was no evidence that Mr. Waldheim had been involved in war crimes, as some Jewish groups have alleged. But he accused Mr. Waldheim, a former UN secretary-general, of concealing his war record.

Sri Lanka Says Rebel Base Captured

COLOMBO, Sri Lanka (Combined Dispatches) — Government troops overran the main base of the leading Tamil guerrilla force Sunday, killing seven rebels, including the base commander, and capturing a large amount of arms, the government said.

The base at Mutur in eastern Sri Lanka belonged to the Liberation Tigers of Tamil Eelam, the biggest rebel group fighting for a separate Tamil state. The slain base commander was identified as Gajendran. There was no independent confirmation of the raid. (Reuters, AP)

Aquino Retires Long-Serving Generals

MANILA (Reuters) — In a move to bolster army morale, President Corason C. Aquino has retired two senior generals, both of whom were in line to succeed her chief of staff, General Fidel V. Ramos.

In keeping with a promise not to extend the services of aged generals, Mrs. Aquino on Saturday announced the retirement of Lieutenant General Salvador Mison, the deputy armed forces commander, and Major General Rodolfo Camieso, the army chief. Both had reached the limit of 30 years of service.

Mrs. Aquino appointed Major General Renato de Villa, commander of the paramilitary constabulary, as General Ramos' deputy, and Brigadier General Resinito Padilla as army chief.

UN Groups Find World Hunger Rising

PARIS (NYT) — Despite repeated international pledges to eliminate hunger in the world, the number of hungry, undernourished people now appears to be increasing at a quickening pace, according to new findings by a United Nations agency, even at a time when the world is awash with cheap surplus food.

According to calculations made by the United Nations World Food Council and its parent body, the United Nations Food and Agriculture Organization, based in Rome, the number of hungry people in the world grew by 15 million from 1970 to 1980, to 475 million, a rate of increase of about 1.5 million a year. The world's population is about five billion.

In the early 1980s, however, as economic growth slowed in the industrial nations, increasing the poverty of the developing nations, the number of hungry people grew at a rate of nearly 8 million a year, reaching 512 million in 1985, according to the World Food Council. It estimates that 40,000 children die of hunger-related causes every day.

Deng Blames Japan for Chill in Ties

BEIJING (UPI) — China's leader, Deng Xiaoping, told visiting Japanese officials Sunday that Japan was to blame for the chill in Chinese-Japanese relations and that Tokyo must solve the disputes "without delay."

Mr. Deng addressed his remarks to the visiting foreign minister, Tadashi Kawanishi, as they met in the Great Hall of the People for talks that were to focus on increased tensions.

Mr. Deng said the biggest problem was a decision by a Japanese court in February that favored Taiwan in a dispute between Beijing and Taipei over the ownership of a student dormitory in Kyoto. Japan has said it is powerless to intervene because the case is being handled by the judiciary.

Israel Sets Standard Tuition Fees

JERUSALEM (Reuters) — The Israeli cabinet on Sunday set a standard tuition fee for university students, reversing an earlier decision that had been denounced as discrimination against Israeli Arabs.

An Education Ministry spokesman said the fee would be set at the equivalent of \$1,200 a year, the amount approved last month for students of the army who had paid the equivalent of \$1,450 and other students \$1,550.

Before going to university, most male Jews serve three years of army service at the age of 18. Girls serve two years, while Arabs, except for the Druze and Bedouin minorities, do not serve.

For the Record

About 5,000 Israeli aircraft workers demonstrated Sunday at the office of Prime Minister Yitzhak Shamir in Jerusalem, calling for the cabinet to vote to continue a project to build an Israeli jet fighter, the Lavi. (AP)

A woman was badly injured when a bomb planted in the sand at a crowded public beach in Haifa, Israel, exploded Saturday, police and hospital spokesmen said. (AP)

Confucius Says: Stop Squabbling

Amid Tumult, Many East Asians Look to Ancient Sage
By Barbara Crossette
New York Times Service
SINGAPORE — As students take to the streets of South Korea, social campaigners go to jail in Singapore and politicians in China wrestle over a path to development, many East Asians are re-examining in an age of turbulence the clear-headed teachings of an ancient sage, Confucius.

Wu Teh Yao, director of the Institute of East Asian Philosophies here and head of a national committee on Confucian Ethics, says he does not find this surprising.

Mr. Wu, a Chinese-born scholar in his 70s, tasted the learning of West and East before focusing on the study of a political system close to his roots.

"Confucianism is neither a philosophy nor a religion — though it has the elements of both," he said. "It is a way of life."

As such, he said, a study of Confucianism can serve Asians struggling to weigh Western values against their own beliefs and Westerners trying to understand the philosophical underpinnings of East Asia.

Though Confucius was born in the sixth century B.C., his thoughts, collected by disciples, have refreshing relevance, Mr. Wu said.

Confucianism is a humanistic system, devoted to man's relationship to man, not to God. It emphasizes harmony with nature, respects intellect and education, and cautions against greed and corruption, although not frowning on the accumulation of wealth.

"If you were to piece it all together, you would find it is an all-pervading unity," he said. "There is no supernatural, no required ritual, no credo to embrace."

"I am a Christian and a Presbyterian elder," Mr. Wu said, "but I am also a Confucian disciple."

"Take a man like Zhou Enlai," he added. "He was a Communist; there is no doubt. But inside — in his behavior — he was very Confucian."

Mr. Wu says he believes the purest forms of Confucianism are found in South Korea, Japan, and Taiwan. Interest is also picking up in China, he said.

On Aug. 31, Mr. Wu and more than a hundred experts from around the world are to meet at the birthplace of Confucius, in Qufu, China, for a conference on the development of Confucian learning and its influence on society.

"The study of Confucius has never stopped in China," said Mr. Wu, a graduate of Nanjing University who also has a master's degree from the Fletcher School of Law and Diplomacy and a doctorate from Harvard.

"During the Cultural Revolution, scholars may have been put on ice," he said, "but they were often allowed free time to do their research. They put it in writing afterwards. We have an academic gold mine there now."

Apart from its relevance to Asian tradition, Confucianism is also being studied, Mr. Wu said, "to counterbalance the impact of values from the West, particularly those of rights and individualism."

"The Confucian system stresses obligations, not rights, and group spirit, not individualism," Mr. Wu said. But that does not mean it condones authoritarianism or militarism, he added. If a leader loses the people's trust, the right to rule is forfeited, he said.

India Hopes Festival Will Dazzle Soviet

By Sanjoy Hazarika
New York Times Service
NEW DELHI — With Mikhail S. Gorbachev and Prime Minister Rajiv Gandhi in attendance, a gentle Hindu invocation by an Indian singer at Cathedral Square at the Kremlin on Friday will start a huge celebration in the Soviet Union of India's art, culture, history and economic and scientific progress.

Officials say the yearlong Festival of India will strengthen the friendship between the two countries and cement their already strong political and economic ties.

The Soviet Union is a major trading partner of India and has given extensive help to its industrialization program. It is also a major weapons supplier to New Delhi and has consistently supported its domestic and foreign policies.

"Our message to the Russians is very simple," said Daljit Aurora, the chief organizer of the festival. "We are saying: 'You have known us politically. Now know us as we are.'"

Thus mutton kebabs, chicken curry and Indian dances will be on the menu for Muscovites and residents of 44 other Soviet cities through next summer.

So will fashion shows, and exhibits of textiles, classical Indian jewelry, paintings and sculptures, including a bronze statue dating to 2,500 B.C. There will also be six Indian film festivals and an exhibition on the status of women.

The Indian festival will go beyond the scope of such cultural events that have been held in the United States, Britain and France.

It not only will be bigger than the other festivals but will emphasize India's growing industrial and economic power, and its progress.

"In America, the biggest splash was created by the exotic of India — exhibitions of village India and royal costumes," Mr. Aurora said. He was referring to the Festival of India held in 1985 and 1986 in the United States.

"But that is exotic and a bygone era, not modern India," he said. "We want to show contemporary India to the Russians."

The Gandhi government is organizing India's largest cultural extravaganza overseas, involving an investment of about \$14 million — nearly three times the amount spent on the Festival of India in the United States.

There will be 1,800 performing artists, 720 sports and student delegations, 20 exhibitions and 15 seminars.

Work on the project began two years ago, when Mr. Gandhi visited the Soviet Union and agreed with Mr. Gorbachev to organize the Indian festival and a reciprocal Soviet festival in this country.

The Soviet festival is to begin in November.



Willem Lubbe and his dissident followers have broken from South Africa's Dutch Reformed Church. His group has voted to form an all-white Afrikaner Reformed Church.

Renegade Afrikaners Vote to Form Church

By John D. Battersby
New York Times Service
JOHANNESBURG — About 2,500 rightist dissidents walked out of a discussion on the liberalization of the Dutch Reformed Church, the main Afrikaner church whose teachings include a justification of apartheid.

At the meeting Saturday in Pretoria, which was attended by more than 3,000 from the right wing of the church, the dissidents voted by a margin of 4 to 1 to form a new all-white church.

They accused the Dutch Reformed leadership of embarking on a "new course of liberalism" in criticizing apartheid policies and in seeking to open the church to all races.

But 500 to 800 of the dissidents voted not to quit the church, choosing to work from within to oppose the "liberal moves."

Johan Heyns, head of the Dutch Reformed Church, said the effect of the walkout would be determined by the number of people who followed the dissidents out of the church.

"It is a sad event and both an act of disunity regarding the church and an act of disobedience regarding Scripture," said Mr. Heyns, who has led efforts to desegregate the church.

Emphasizing that he regarded the action as a walkout, Mr. Heyns said the move illustrated the close link between religion and Afrikaner nationalism. "But this is not a basis for a church," he said.

Both President Pieter W. Botha, who is an active member of the church, and Dr. Andries P. Treurnicht, the leader of the Conservative Party and a former Dutch Reformed minister, were reported to be deeply concerned about the break.

In a statement issued last week, Mr. Treurnicht had indicated sympathy with the dissidents but appealed to them not to break with the church before exhausting other options.

The dissidents, organized as the Continuation Committee of Disaffected Members and led by Willem Lubbe, a professor, have rejected recent moves by the Dutch Reformed Church to unite with its black, Indian and mixed-race "daughter churches" and to distance itself from apartheid.

Mr. Lubbe said the new church would be called the Afrikaner Reformed Church. He predicted that it would win wide support nationwide.

The breakaway from the church, whose 1.7 million members include most members of the National Party government, came after weeks of negotiations between Dutch Reformed leaders and the dissidents over a policy document that criticized apartheid and which was adopted at a synod last year.

The document, which some saw as a turnaround in church policy, for the first time described apartheid as scripturally unjustifiable and racial discrimination as a sin.

But the document stopped short of declaring apartheid a heresy, as its "daughter churches" and the World Alliance of Reformed Churches have done.

Although the synod accepted the principle of an open church, it stopped short of voting to merge the white church with its three black offshoots.

But Mr. Heyns said it was accepted that the Dutch Reformed Church was "one church" and that the structures simply had to be arranged to bring about that unity.

Belgrade Rebuffs Serbs, Stops Short Of Action Against Ethnic Albanians

Belgrade — The Yugoslav Communist Party has called for vigorous opposition to nationalism and separatism by ethnic Albanians in the southern province of Kosovo.

But diplomats said the special session of the party's Central Committee on tension in Kosovo failed to take the strong measures that the minority Serbs and Montenegrins in the province had sought.

The party reaffirmed that ethnic tension in Kosovo, which borders Albania and is the country's poorest province, was Yugoslavia's gravest problem. The border is sealed with Yugoslav-Albanian relations strained.

Analysts said the Central Committee repeated promises of action without offering immediate solutions.

The meeting ended abruptly early Saturday with party leaders fearing violence if hundreds of Serb protesters from Kosovo were joined by local sympathizers outside the building where the session took place.

The protesters taunted police and chanted threats to take up arms against Albanians in the province. Police forced the Serb demonstrators onto buses to be returned to Kosovo.

Serbs and Montenegrins in Kosovo, who number 200,000, charge that the province's 1.7 million ethnic Albanians have tried to intimidate them to leave to further a goal of secessionism.

The Serbs and Montenegrins want the Kosovo leadership purged and direct rule imposed from Belgrade on the province.

Diplomats and local political observers said that a summation by Milanko Renovica, the Central Committee president, fell far short of expectations.

"It's hard to see even one inch of progress," a Western diplomat said. "In fact, the party seems to have backtracked."

Kosovo is part of Serbia, the most populous of Yugoslavia's six republics, but the province holds constitutional autonomy within Serbia.

More than 22,000 Serbs have left Kosovo since Albanian nationalist riots there in 1981. Some observers fear that if Kosovo becomes an ethnically pure Albanian region it may demand to merge with neighboring Albania.

Analysts say there is marked opposition from non-Serbian areas to Serbian demands for increased central control over Kosovo. Non-Serbian delegates represent more than half of Yugoslavia's 23 million people and contributed little to the Central Committee debate.

The Central Committee meeting reiterated Yugoslav attacks against Albanian leadership, which Belgrade accuses of fomenting separatism in Kosovo. Albania has denied the charges.

Der Spiegel Says TWA Hijack Suspect To Be Pardoned in Swap for Hostages

The Associated Press
HAMBURG — Mohammed Ali Hamadeh, the Lebanese suspected in the 1985 hijacking of a TWA airliner to Beirut, will be pardoned quickly after his trial in West Germany, a Hamburg news magazine reported.

The weekly *Der Spiegel* reported Saturday that Mr. Hamadeh, 23, will be pardoned and freed in exchange for two West Germans held hostage in Lebanon.

Quoting unidentified sources, *Der Spiegel* said: "In Bonn, it is agreed that if Hamadeh is sentenced to life imprisonment, he will be pardoned by Hesse State Governor Walter Wallmann."

"He could then be exchanged for the two West Germans held in Lebanon," the magazine said.

The United States had sought Mr. Hamadeh's extradition in an effort to try him for the murder of a passenger on the TWA flight, Robert D. Stethem, a U.S. Navy diver.

Der Spiegel Says TWA Hijack Suspect To Be Pardoned in Swap for Hostages

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But Mr. Heyns said it was accepted that the Dutch Reformed Church was "one church" and that the structures simply had to be arranged to bring about that unity.

TRAVEL UPDATE

Strikes to Disrupt French Air Travel

PARIS (AFP) — Air travel was expected to be seriously disrupted Monday and Tuesday by the French air traffic controllers' strike and similar action by staff of France's domestic national carrier, Air Inter.

Air Inter pilots and flight engineers have called a strike for Monday and Tuesday in support of demands for three, rather than two, crew members in the new Airbus A-320 airliners. Air traffic controllers said they would stage one-hour morning work stoppages Monday to Friday, in a continuing action in their dispute over pensions.

Vehicle towmen officials have raised the fine for camping one in the train station or streets to 50,000 lire (\$37) from 20,000 lire and imposed fines of 20,000 lire for picnicking in St. Mark's Square, wearing shorts in going shirtless in museums and other tourist sites, bathing in canals and playing radios too loudly.

The rains of Pompeii, closed last week to visitors, are to be open afternoons only during a labor dispute involving custodians. The ancient town is usually open 9 A.M. to sunset.

The civilian air services in the Falkland Islands has been suspended for three weeks, effectively cutting off air transport to the East Island and the colony's capital, Stanley, from the West Island and the smaller islands of the South Atlantic archipelago. Service is suspended during an investigation of the crash on Wednesday of a twin-engine plane carrying six persons, in which no injuries were reported.

Both flight recorders on a Philippines Airlines plane that crashed Friday, killing all 50 persons on board, are damaged beyond use, investigators said Sunday in Manila. (AP)

This Week's Holidays

Banking hours and government services will be closed or curtailed in the following countries this week because of national and religious holidays:

MONDAY: Chile, Colombia, Costa Rica, El Salvador, Peru, San Marino, Malta, Vatican City, Venezuela.

TUESDAY: Ecuador, El Salvador, Guatemala, India, Peru, Sri Lanka, Zaire.

WEDNESDAY: Bangladesh, British Virgin Islands, Canada, Egypt, Ghana, Guatemala, Pakistan, Rwanda, Somalia, Suriname, Taiwan, Thailand.

FRIDAY: Guam, United States, U.S. Virgin Islands.

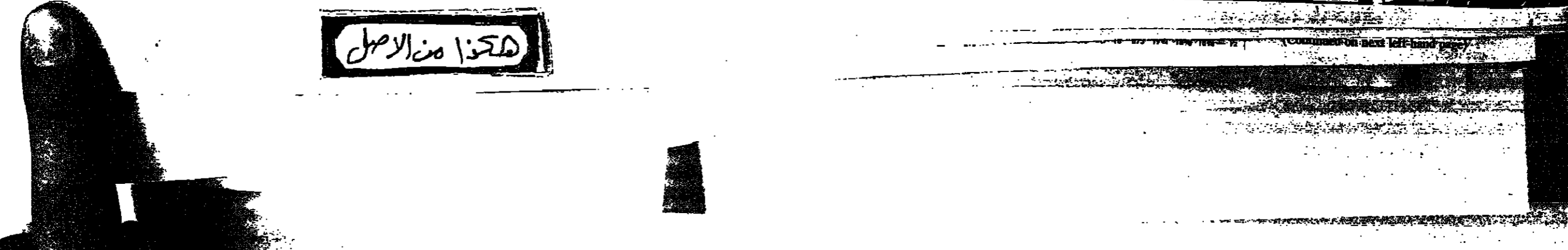
SATURDAY: Guam, Philippines, Puerto Rico, Tonga, United States, U.S. Virgin Islands, Yugoslavia.

SUNDAY: Algeria.

Source: Morgan Guaranty Trust Co. Reuters.

INTERNATIONAL POSITIONS		
You will find below a listing of job positions published last Thursday under the rubric International Positions.		
TITLE	SALARY	EMPLOYER
SENIOR ACCOUNTING MANAGER		Mc Donald's System of Europe Inc.
Management Development & Management Consulting Unit	competitive salary & benefits	Chief/Management - U.S.A.
PRESS OFFICER EUROPE		A large multinational company - Brussels.
Project Managers, Construction and M & E Superintendents	Good	Overseas Construction.
Senior Advisor, Planning Engineer, Highway Engineer		Gannett Fleming.
Highway Foreperson, Equipment Foreperson		Gannett Fleming.
GENERAL MANAGER	Usual benefits - salary negotiable	Well established air courier/Airfreight company.
SALES MANAGER	Good	Service 800.
CHIEF EXECUTIVE - RETAIL		WAREHAM.

If you haven't seen last week's INTERNATIONAL POSITIONS rubric, please ask for a free copy. Max Ferraro, INTERNATIONAL HERALD TRIBUNE, 92521 Neuilly Cedex, France. Tel: 11 46.37.83.81. Telex: 613595



Friend and Foe Say Reagan Is Now at His Weakest, Hobbled by Scandal and Inertia

By Bernard Weir and Gerald M. Boyd
New York Times Service

WASHINGTON — As Ronald Reagan nears his final year in office, his ability to lead the nation has declined to the lowest point of his presidency, according to Republican and Democratic legislators, administration aides and friends of the president.

The growing consensus from a wide cross section of officials is that the prospects are dim for a resurgence of his presidency without an arms control agreement with the Soviet Union or some other major achievement.

Their assessment is that Mr. Reagan is unable to cope, both personally and politically, with a Congress controlled by Democrats and with the impact of the Iran-contra affair.

"Something's gone wrong in the last six months or so," said a recent visitor to the Oval Office, who sees Mr. Reagan frequently. The comment reflected what some others, from legislators to confidants of Mr. Reagan and from

White House officials to foreign diplomats, are also saying about him.

Although White House spokesmen and some Republican congressional leaders sharply disagree, the mood of pessimism, most evident in recent months, goes beyond that which has traditionally encumbered a president nearing the end of his final term.

It is a combination of changes both in the man himself and in the way he is being perceived, and it is attributed to several factors.

The Iran-contra affair, looming largest among these, is said to have seriously depressed Mr. Reagan in a deeply personal sense. The president's slip in popularity, as reflected in public opinion polls, since the sale of arms to Iran and the diversion of profits to the Nicaraguan rebels were disclosed in November has been troubling to Mr. Reagan. His favorable image among the American public had been something that energized him throughout his political life and provided a source of inner strength. Particularly troublesome is that polls show that more than half the public believes he is lying, aides said.

Another factor in the bleak prospects seen for the Reagan presidency is the changing nature of his relationship with aides. For one thing, some associates say that the president, having been surprised by the actions of some

adviser, has been unable to operate effectively in Congress despite its solid legislative background. Aides, who acknowledge the failure, attribute it to the Democrats' control of both houses of Congress. But lawmakers cite other

no longer a source of friendly jokes but of concern, friends say.

The two small polyps found Friday in Mr. Reagan's colon were found to be noncancerous.

Asked about the growing negative consensus about the president, Marlin Fitzwater, the White House spokesman, said, "This sounds like political piling on."

"The president is vigorous, actively persuading our budget reform measures domestically, historic trade legislation, and the first real nuclear arms reduction opportunity ever," Mr. Fitzwater said. "This is an active president, who has overcome some difficulties in recent months and who is determined to make the last 18 months productive and meaningful."

Senator Alan K. Simpson of Wyoming, the Republican whip in the Senate, said: "The only change I've noted is that his hair is actually getting grayer. I know people say, 'I wonder if he's losing it.' But that's not the case. He's better now than he's ever been."

But other legislators and some Reagan aides say it is clear that the president is functioning with far less leverage. Even so, instead of seeking accommodation with Congress, Mr. Reagan is using the same confrontational approach he has used in the past. That approach is angering Democrats and privately dismaying some Republicans.

"Instead of signaling to Congress that he's interested in working constructively to produce some real achievements in the last 18 months of his administration, the president sends a signal of confrontation and combat," said Representative Thomas S. Foley of Washington, the Democratic majority leader.

"There's an unfortunate signal here of a president who has accepted his own growing irrelevance and has abdicated the field of working with Congress," he said.

One ranking Western diplomat who conferred with Mr. Reagan at the economic summit meeting in Venice earlier this month told colleagues that the president had seemed "distracted," as if he "had his mind on something else." He "couldn't focus on the issues at hand," said the diplomat, who is a top official in a foreign government.

The consensus from a wide cross section of officials is that the prospects are dim for a resurgence of his presidency without an arms control accord or similar achievement.

aides in the Iran-contra affair, is less trusting of them.

In addition, the deaths of some longtime associates, including William J. Casey, the former CIA director, have left the president with fewer confidants in Washington. Further, he has not yet established the personal rapport with Howard H. Baker Jr., the new White House chief of staff, that he shared with Donald T. Regan, Mr. Baker's predecessor.

The new White House staff, under Mr. Baker and Frank C. Carlucci, the national security

adviser, including a new aggressiveness by both Republicans and Democrats in opposing the president and their perception of a leadership void.

Mr. Reagan's medical problems, which have included major surgery twice in the last two years, have taken a toll.

Aides said that the president did not bounce back from prostate surgery last January. More than ever, he is showing signs of his 76 years. His memory lapses and rambling discourses are

Papandreou Threatens U.S. on Bases

ATHENS — Prime Minister Andreas Papandreou threatened Sunday to cancel upcoming talks about a new agreement on U.S. military bases if the United States does not withdraw a reported charge that his government negotiated with terrorist organizations.

Mr. Papandreou said during a flight to Brussels that he would shut the four U.S. bases in Greece next year if no retraction was made.

"There will be no bases talks and the bases will close in 1988 if the United States doesn't withdraw fully, officially and publicly these false and groundless accusations against our country," he said.

Mr. Papandreou was flying to Brussels for a European Community summit meeting starting Monday.

The reported U.S. allegation that Greece held talks with terrorist organizations with a view to averting possible terrorist attacks here was disclosed Saturday by Greek officials.

A government spokesman said the U.S. allegation, made in a meeting here Thursday between the U.S. ambassador, Robert V. Kealey, and Foreign Minister Karolos Papoulias, was "ridiculous and unfounded."

U.S. Embassy officials were not available to comment.

The negotiations were reported to have been held with Abu Nidal, who heads a Palestinian group that has claimed to have carried out more than 100 terrorist attacks, including those on airports in Rome and Vienna in December 1985 in which 19 persons died.

Mr. Papandreou described the reported charge as a hostile act against Greece and accused the United States of trying to blackmail Greece into signing a new agreement on bases.

"If they think that such pressures will lead to the signature of a bases agreement, they're kidding themselves," he said. "If this is the action of friends, then who needs enemies?"

Greece and the United States had agreed to start procedural talks this summer for an agreement on bases, with substantive negotiations set for the fall. The current five-year Greek-U.S. accord expires in December 1988.

For military planning purposes the United States wants to settle the future of the bases before the current agreement runs out.

Greece receives around \$300 million a year as a form of rent for the facilities.

Mr. Papandreou came to power in 1981 pledging to shut the bases and pull Greece out of NATO. He now says he is willing to negotiate a new agreement and submit it to a referendum for approval.

Greece has been accused in the past of laxity in combating terrorism. In 1985, the U.S. State Department issued a travel advisory warning tourists to avoid Athens International Airport after a TWA jetliner was hijacked by terrorists who boarded there.

The advisory was withdrawn six weeks later, but the Greek tourist industry, a major foreign-exchange earner, is still lagging behind 1984 levels.

Only 250,000 Americans visited Greece in 1986, a 60 percent drop from the previous year. Tourist revenues dropped by an estimated \$300 million as a result.

AMERICAN TOPICS

Urban Growth Is Slowed in L.A.

After decades of rapid development, Los Angeles is moving toward a more compact lifestyle. The growth-minded president of the city council, Pat Russell, has been voted out after 17 years on the council, and Ruth Galanter, an anti-growth activist, has been voted in.

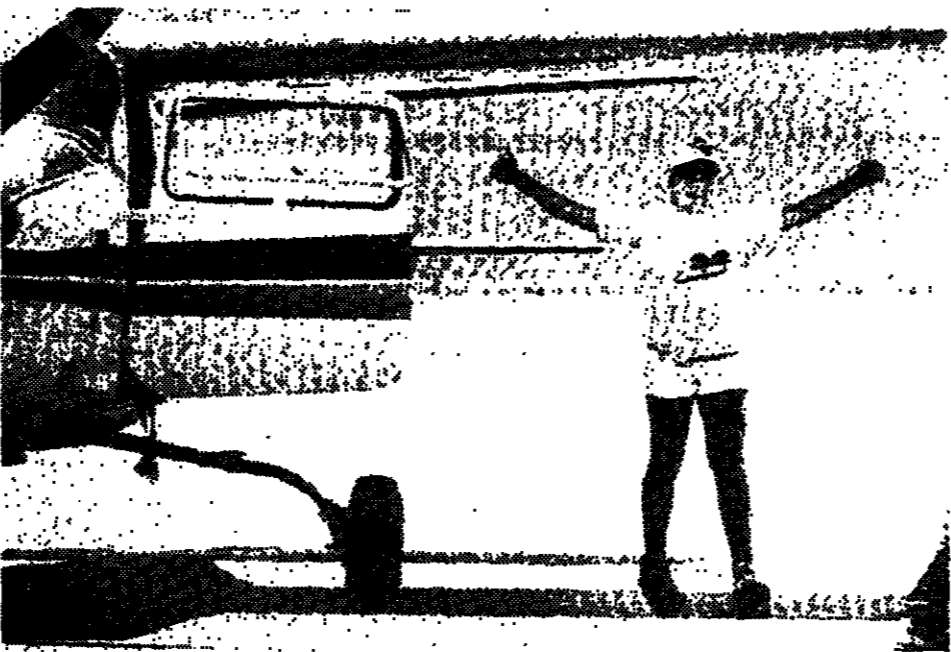
Traffic congestion on freeways in southern California has hit a peak. Since 1960, the population density of Los Angeles has increased 23 percent, The Washington Post reports, while that of Boston, Detroit, Philadelphia and Washington has dropped 20 percent or more, to a level roughly equal with Los Angeles.

Rising land prices, rent controls and cuts in property taxes all have served to make people stay put, fighting change in their neighborhoods rather than moving on.

For years, outsiders remarked that Los Angeles had no real downtown. Now emerging as the financial center of the Far West, the city has a high-rise business district.

The image of Los Angeles as an endless sprawl, where people drive an hour to work, is outdated, says Kenneth T. Jackson, an urban historian. "In 1980, the average American traveled 9.2 miles to work," he said, or 14.9 kilometers. "In 1986, the average southern Californian traveled less than 10 miles to work. California is not unusual anymore."

Californians now consume gasoline at less than the national rate and own fewer cars per 1,000 people than Floridians and Texans.



THUMBS UP LANDING — John Kevin Hill, 11, gives the thumbs up sign after landing his single-engine Cessna 210 in Loveland, Colorado. The boy, who has logged 200 hours since he began flying two years ago, is attempting to become the youngest pilot to fly across the United States. The boy's flight instructor, Mike Fields, is with him on the voyage, which began in Los Angeles and is to end Wednesday in Washington.

of skiing, and the barroom "is mercifully unaltered," with the same long, arching wooden bar and banquettes under the toy-festooned ceiling. The traditional oversized hamburger remains on the new menu, which is far more varied than the previous one, and the food, which had gone off somewhat, is now top-notch: 21 "can now be taken seriously as a restaurant on its own merits."

The prices are "princely," with lunch in the bar at \$40 a person and dinner starting at \$65.

With the U.S. merchant fleet having shrunk to about 450 privately owned ships, compared to nearly 600 five years ago, fewer graduates of the U.S. Merchant Marine Academy at Kings Point, Long Island, are landing ocean-going jobs. After a free four-year education, graduates must work in the maritime industry for at least five years. In 1979, 92 percent got jobs at sea, compared to 22 percent last year. The rest landed jobs in naval architecture, admiralty law, chartering and steamship company management, which lead to the boardroom rather than the wardroom.

The youth of America is shifting to the left, not politically but physiologically, according to a Washington Post-ABC News poll. It showed that the proportion of left-handers among young people is virtually double that of older people. Among those 61 or older, 88 percent said they were right-handed, 6 percent left-handed and 6 percent ambidextrous. Among those 18 to 30, 83 percent said they were right-handed, 13 percent left-handed and 3 percent ambidextrous. "People aren't being forced to change anymore," said Dr. Camilla Benbow of Iowa State University. Prejudice against being a southpaw has "given way to more rational thinking."

When Gary Hart dropped out of the Democratic presidential race last month, his 1984 campaign still owed the National Bank of Washington \$556,824. So the bank is to sell 92 lithographs placed in one of its vaults as collateral. The lithographs were donated by the American artist Robert Rauschenberg. Now, the bank says response to its plan has been so great that it expects to schedule a public auction in the next few weeks. Said Kathleen Collins, general counsel for the bank, "We've got to capitalize before people start asking Gary who?"

—ARTHUR HIGBEE

'Powell Court' Comes to End

Departure of Pivotal Justice Opens Way for Rightist Shift

By Stuart Taylor Jr.
New York Times Service

WASHINGTON — The first term of the Rehnquist court, which ended Friday, could more aptly be called the last term of the Powell court. While Chief Justice William H. Rehnquist presided, it was Justice Lewis F. Powell Jr., more than anyone else, who cast the decisive votes.

But with the unexpected retirement of Justice Powell, the Supreme Court in its next term may become the Reagan court.

President Ronald Reagan now has a chance not only to fill a third vacancy but also to put conservatives firmly in control with a chance to act on such issues as abortion, affirmative action and religion.

The decisions of the 1986-87 term showed little deviation from the court's direction in Warren E. Burger's 17 years as chief justice.

The rulings were moderate to liberal on social issues such as racial and sexual discrimination, abortion and church-state relations; and more conservative on criminal

law and civil liberties. Overall, the court was moderate and pragmatic in its basic instincts.

Last year when Justice Rehnquist was picked to replace Chief Justice Burger and Antonin Scalia, another strong ideological conservative, Justice Powell was seen as the pivotal justice.

Now, however, the court has reached the tipping point. The liberal victories in so many ideologically charged cases came in one-vote margins, with Justice Powell in the majority.

As in the past, he was more often in the majority than any other member of the court, especially in the major cases and in the 5-4 decisions. His vote in those cases determined whether the conservative chief justice or the liberal wing identified with Justice William J. Brennan Jr. would win.

Justice Powell's strategic place at the dead center of the court's sharp ideological divide, and his moderate, case-by-case approach to issues, made him the most appropriate symbol of the approach to the law taken by the Burger court.

Among the 5-4 decisions on which Powell had a decisive impact were:

- A decision upholding a federal district court's order requiring that Alabama temporarily use a strict racial quota — one black for one white — in promoting state troopers, to make up for severe past discrimination against blacks.
- A decision that a clerical employee in a county constable's office had a First Amendment right not to be dismissed for saying she hoped Mr. Reagan would be assassinated.
- A decision that emotionally charged evidence about the impact of a murder on a victim's family cannot be presented at a death sentencing hearing because it might "inflamm[e] the jury."

In other cases, Justice Powell

voted with the majority this term in major liberal victories on issues that included teaching the theory of creation versus evolution in public schools, pregnancy leave, affirmative action preferences for women and minorities and discrimination against people with infectious diseases such as AIDS.

Justice Powell also cast the crucial fifth vote that struck down a Pennsylvania law that restricted abortion rights and that upheld the authority of federal courts to order racial preferences in hiring in order to remedy "egregious" past discrimination.

Chief Justice Rehnquist dissented in all of these cases. The Reagan administration, through legal briefs filed with the court, was on the losing side in all but the death penalty case, in which it was not a party.

But Justice Powell did not always side with the court's liberals. In fact, in 71 percent of the 87 cases on which Justice Brennan and the chief justice disagreed, Justice Powell joined the chief justice.

But on the issues at the heart of the Reagan ideological agenda — abortion, affirmative action and church-state relations — Justice Powell stood solidly with the liberals in defending Supreme Court precedents against attacks by conservatives.

One paradoxical effect of the elevation of Justice Rehnquist to chief justice was that in several cases the liberals probably won more sweeping victories than they would have under the less consistently conservative Chief Justice Burger.

This occurred because Chief Justice Burger was said to have voted sometimes with the majority in cases in which he really agreed with the dissenters, to preserve his power of assigning the majority opinion to himself or to someone else who would frame it narrowly. When the chief justice is in dissent, the senior member of the majority assigns the opinion.

Chief Justice Rehnquist, on the other hand, has not veered from his conservative principles. As a result, Justice Brennan, the court's senior and most liberal member, has been able to assign more opinions.

He has used this to good advantage, assigning the two affirmative action cases and several other major rulings to himself and writing them in broad, liberal strokes.

Drug Fight Set Back in Colombia

Washington Post Service

BOGOTA — Colombia's Supreme Court has declared unconstitutional a law that ratifies an extradition treaty between Colombia and the United States, a decision that represents a major setback for the U.S. campaign against cocaine trafficking.

The action blocks the government from using the treaty to continue extraditing suspected Colombian traffickers wanted on drug charges in the United States. The treaty has been in effect since 1979.

"It's very bad news for us," an official of the U.S. Drug Enforcement Administration said in Washington. "Extradition is what drug traffickers have feared the most."

Justice Minister José Manuel Arias Carrizosa said Thursday that government officials were studying "a series of alternatives."

A group of Colombians controls about 75 percent of the international cocaine trade, according to law enforcement officers.

While the Colombian Congress could be asked to approve a new law to reactivate the extradition treaty, public support for such a measure is weak. Although most Colombians favor a crackdown on drugs, polls show that a majority resent extradition as a violation of national sovereignty.

The government might still be able to extradite Colombian nationals under a 1983 bilateral treaty, to which a drug-related amendment was added in 1980, or under a 1961 United Nations convention. But these approaches would likely present legal challenges for the government and expose it to political attack.

The court's ruling has put Colombia at legal odds with the United States, which still considers the extradition treaty in force.

"[No matter what, international treaties stand above internal decisions and as such they are law and must be obeyed]," the U.S. Embassy said in a statement on the court ruling, United Press International reported.]

When Gary Hart dropped out of the Democratic presidential race last month, his 1984 campaign still owed the National Bank of Washington \$556,824. So the bank is to sell 92 lithographs placed in one of its vaults as collateral. The lithographs were donated by the American artist Robert Rauschenberg. Now, the bank says response to its plan has been so great that it expects to schedule a public auction in the next few weeks. Said Kathleen Collins, general counsel for the bank, "We've got to capitalize before people start asking Gary who?"

—ARTHUR HIGBEE

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Romania Assails Trade Vote in U.S. Senate

VIENNA — Romania denounced Sunday a U.S. Senate vote to suspend Bucharest's preferential trade status, describing it as interference in Romania's internal affairs.

A statement through the official press agency Agerpress said the Romanian public was "surprised and indignant" to learn of Friday's vote to suspend for six months Romania's trading status as a most-favored nation. It described the vote as a "hostile act."

The Senate, debating a pending trade bill, voted by 57 to 36 for the proposal to suspend trade benefits while the administration reviewed allegations of human rights violations and limits on emigration.

Most-favored-nation status allows foreign countries lowered tariffs on their imports to the United States. It is extended to four Communist nations other than Romania — Hungary, China, Yugoslavia and Poland.

New York Times reported from Washington:

The movement in Congress to deprive Romania of most-favored-nation treatment has gained momentum over the last year because of concerns about persecution and repression of various Christian denominations.

A recent State Department report on human rights in Eastern Europe noted "continued friction" between the Romanian government and such faiths as Seventh-day Adventists, Evangelical Brethren, Baptists and Pentecostals.

The report said that although these religions are officially recognized by the government, their adherents had insisted on "the primacy of religious belief over state authority in matters of conscience."

The Senate vote on Romania is partly symbolic since resumption of the most-favored-nation status after six months would be automatic. But the vote will make it more difficult for senators to argue against a similar type of amendment proposing trade sanctions

against South Korea, which is expected from Senator Edward M. Kennedy, Democrat of Massachusetts.

Mr. Kennedy has said he intends to propose sanctions against South Korea in an effort to force the Seoul government to improve human and political rights. Mr. Kennedy's amendment is expected to call for removal of preferential trade treatment for certain Korean imports to the United States.

The House trade bill, approved April 30, contains a parallel provision, which means that any trade legislation sent to President Ronald Reagan is likely to contain the suspension.

Mr. Reagan renewed Romania's most-favored-nation status this month. But in making the annual determination, which is required by the Congress, he acknowledged concern about rights violations.

In a letter notifying Congress of his decision, he said that it was the trade relationship with Romania that enables us to engage the Romanians in a frank dialogue on

these issues and to work to improve conditions there."

Jewish organizations concerned about Romania's willingness to permit continuing emigration of Jews had argued strongly against taking any action on the trade status and Friday expressed dismay at the outcome of the Senate vote.

"The Senate action is a mistake," said Seymour D. Reich, international president of B'nai B'rith, who arrived in Bucharest on Friday for talks with Romanian officials. "It eliminates an incentive for Romania to improve human rights and may jeopardize the flow of immigrants to the United States, Germany and Israel."

The United States ran a \$588 million trade deficit with Romania in 1986, with U.S. imports from Romania amounting to \$838.8 million and U.S. exports to Romania amounting to \$250.9 million. The Commerce Department has estimated that loss of most-favored-nation status could cost Romania about \$300 million a year.

Church Repression Cited

Earlier, Susan F. Rasby of The

ZENITH

Le privilège de la création suisse

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London: MURPHY & WEAVER, Kingsway, Tottenham. Telephone: 410.
Geneva: HORN, DU RHONE, c. de Rivole 78. Zurich: CHRONOMETRE BEYER, Bahnhofstr. 31.
Vienna: JUMEL, Kärntnerstr. 12. Copenhagen: P. KJÅRUM, Nørstrømsgade 6.

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AIR-INDIA

Herald Tribune

Pretty Dull Stuff, That

President Reagan says he is bored by the Iran-contra investigations. "When you get a mile and a half away from the Potomac River, there are an awful lot of people that have gone back to their favorite television shows and I don't blame them."

would be going to the White House to look at the Iran-contra files? According to Senator Warren Rudman, the attorney general thus "telegraphed" a critical move and gave time for a shredding party—enough paper "to fill up half of a boxcar."

Panama: Time for Change

In Panama, a tough military regime has dropped the facade of constitutional rule and governance by emergency decree. In Washington, a flawed policy of endorsing sham democracy for the sake of stability has come unraveled.

struck hard against free expression in a desperate effort to maintain control. The independent press was censored, foreign journalists restricted and protesters threatened with harsh punishment.

A One-Man Institution

Arthur Burns was a one-man economic institution. Throughout his life he carried the manner of the professor that he had once been, but his shrewd political judgment, and an abiding devotion to public service, led him through a career of three decades at the highest levels of government.

consensus among historians is that the charge is false. In retrospect, it seems clear that, pressed by the White House, by congressional Democrats and even by many professional economists to expand and to keep unemployment down, he doggedly steered a far more cautious course than either party wanted.

Other Comment

New Depths of EC Pettiness

Those with a proper concern for the role and dignity of statesmanship ought to be deeply worried about the fact that 12 heads of government are preparing to engage in a fierce debate over whether to put a tax on edible oils and fats. Voters in the European Community countries are entitled to ask whether they are well served when their chosen leaders spend precious time arguing about the price of liquefied rapeseed.

cally bankrupt community. The tax on oils and fats is a substitute for the deep cuts in price support payments to farmers which national governments piously recognize as essential for balancing the books but lack the political will to implement.

Where Reagan's Thumbprint Will Endure

By James Reston

WASHINGTON — If you are wondering about Ronald Reagan's legacy as president, look to the courts. His domestic policies have sunk in a sea of red ink. His foreign policy is ending in scandal, but his thumbprint will be on the judiciary into the 21st century.

term under Chief Justice William Rehnquist and with the addition of the conservative Justice Antonin Scalia, the liberals and moderates, usually with Justice Powell's vote, managed to prevail.

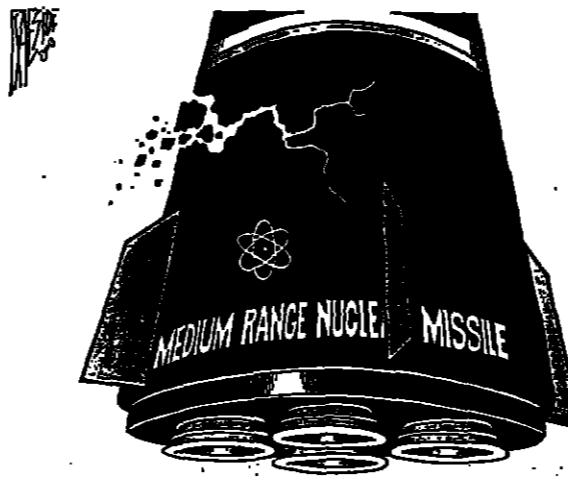
How the West Can Safeguard Its Deterrent Strength

By Bernard W. Rogers

General Rogers retired last week as supreme allied commander in Europe.

From 7,000, unilaterally, since 1979. But someone should ask, "Once the 572 long-range INF warheads are eliminated, what is the composition of the remaining warheads?"

"Since the Russians are giving up more warheads than NATO, this has to be a good deal for the West." Yet the Russians would lose only a very small fraction of their capability to strike Western Europe, since every one of the thousands of Soviet warheads remaining, including intercontinental ballistic missiles and submarine-launched ballistic missiles, can still reach West European soil.



BY RAESIDE in the Times-Collector (Victoria, Canada). C&W Syndicate.

the Lance missile systems well behind the battle lines to protect them from enemy fire, only the West German Pershing-1As can strike with certainty deep into non-Soviet Warsaw Pact territory. NATO aircraft are limited in the range they can travel and by Warsaw Pact air defenses.

Soviet Union, the Pershing-2, and thus the most effective deterrent, thereby reducing the credibility of its overall deterrent and creating zones of unequal security in the alliance.

Deterrence Cannot Rely on Nuclear Arms

By Morton H. Halperin

WASHINGTON — General Bernard Rogers, the just-retired NATO military commander, says that without nuclear weapons the alliance would remain a Soviet attack on "days, not weeks." The more relevant question is how long Western Europe could survive if NATO used nuclear weapons to resist a Soviet attack.

for Soviet use or in the unlikely event that NATO seeks to initiate their use. The regular military forces would be trained and equipped only for conventional war. This change would enhance NATO's conventional capability with no increase in spending. Deterrence would be more credible.

A doomsday machine tied to a roulette wheel—we pin our hopes on this?

is no way to make the threat to initiate their use credible. Those who support the status quo say first that the system isn't broke and should not be fixed. Second, they argue that there is no real alternative. Neither argument is correct.

The West would also recognize that what deters the Kremlin is the credible threat that a war in Europe means a large war with America that it will fight to win. As long as no events in Western Europe threaten vital Soviet interests, the Russians are unlikely to attack in this situation.

Looking Past Chun's Own Failed Vision

By Jim Hoagland

WASHINGTON — The odds have swung now to no better than even that President Chun Doo Hwan, South Korea's faltering strongman, will achieve the wish of his regime that he so badly wants. The massive public anger with Mr. Chun that has boiled over into violent demonstrations seriously imperils his plan to hand over power to a malleable successor in the spring.

Even if the demonstrations subside, Mr. Chun's power base has been dramatically eroded. Senior U.S. officials who hope Mr. Chun can survive into 1988 have concluded that he now is unlikely to be able to impose his cronky, Roh Tae Woo, as his successor. They foresee an interim regime, declared by the generals or negotiated by them with Mr. Chun against the opposition, that would take power to draw up a new constitution.

So the Reagan administration, as it did last year in the Philippines, confronts the dilemma of having to choose a friendly regime to undertake reforms that are likely to end by bringing that regime's demise. Washington's willingness to do this is a measure of how desperate the situation in Seoul has become and how disastrous for America any other course would be.

human rights vs. toughness, as was the Carter policy toward the Reagan administration has its priorities right in South Korea. Because of the deep American involvement in the operational control of South Korea's military, another Kwangju now could poison Korean-American relations for decades.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Wary Balloting

BALTIMORE — Deadlocked over the Presidency, with Champ Clark leading and Governor Woodrow Wilson gaining, with Oscar Wilder, Underwood and Judson Harmon strong as possible compromises, with no candidate able to see even a remote chance of getting a majority, the convention is warily balloting away [on June 28]. It looks like a test of endurance. The fifth ballot was: Mr. Clark 443; Governor Wilson, 351; Mr. Underwood 119; Governor Harmon, 141; Governor Thomas Riley Marshall, 31; Senator Kerr, 2. Needed to nominate, 726.

1937: Reich Limits Trade

BERLIN — At its opening session [on June 28], the Berlin Congress of the International Chamber of Commerce left no doubt that the Reich will continue its semi-isolationist economic policy. General Hermann Goering said: "We have decided to rely on our own resources, in so far as indispensable raw materials are concerned, and thus assure our independence. Just as Germany must be able finally to rely upon its own strength... to defend its territory, so must it be economically self-supporting if Germany apparently will never return to the free exchange of goods scale. Thus whatever hopes there may have been among delegates... for a vigorous campaign to break down trade barriers had proved illusory."

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Vatican Financial Crisis May Lead to Changes in Catholic Hierarchy

By Roberto Suro
The Vatican's financial crisis may require basic changes in the institutional character of the Roman Catholic Church, according to Vatican officials.

New relationships are already developing in the Catholic hierarchy as local bishops play an increasing role in paying for a papacy that was once financially independent but now spends twice its income.

The Vatican faces a record deficit of \$63 million in 1987, and long-term decisions on how to fill the gap could have major effects on the church's future, Vatican officials said.

The United States, with the richest and most generous Catholics in the world, is exerting unusual influence over Vatican finances. Prominent American prelates have successfully lobbied for changes in the Vatican's management practices.

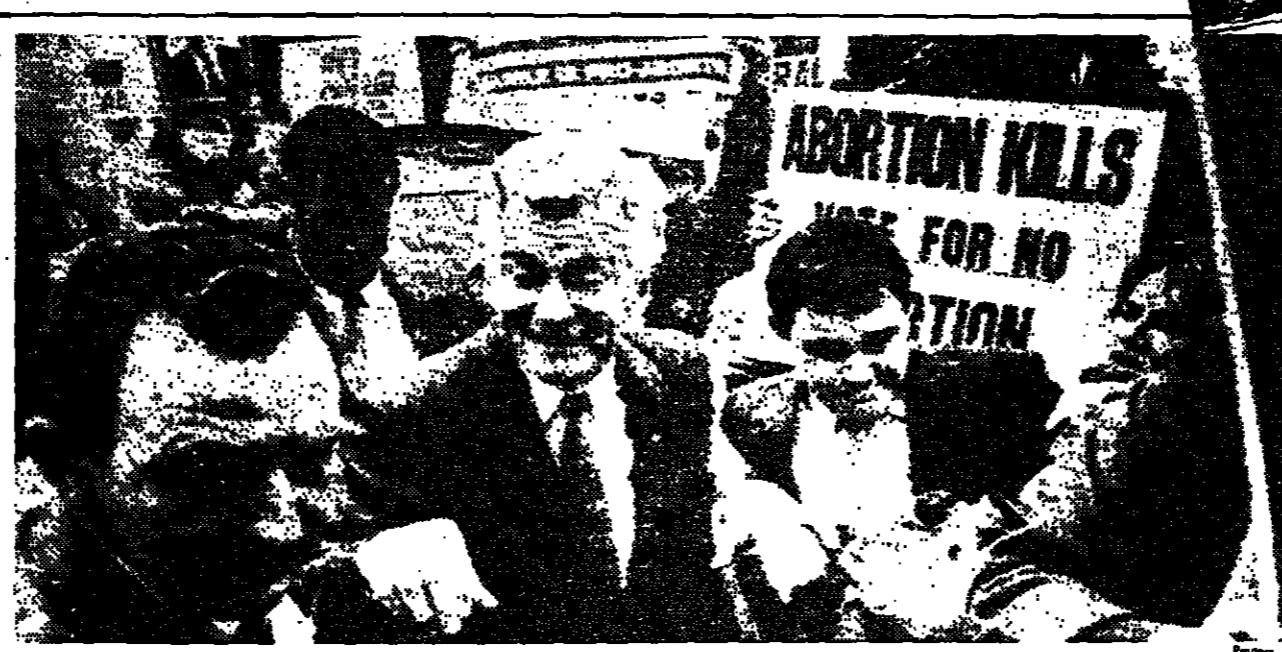
The Vatican's financial problems have been growing for a decade. But a reserve fund previously used to help cover deficits has been exhausted, according to a Vatican prelate involved in setting budget priorities.

Drawing additional assistance has become more difficult because arrest warrants were issued in February for Archbishop Paul C. Marcinkus, president of the Vatican bank, who is an American, and two other top officials of the bank.

In an unusual appeal, the Vatican has asked the world's bishops to help make up the shortfall. Cardinal Giuseppe Caprio, president of the Holy See's Prefecture for Economic Affairs, said a letter distributed this spring to more than 2,200 active bishops reminded them that they had a duty under church law to help finance the Vatican.

The letter, signed by a council of cardinals that oversees Vatican finances, paints a bleak picture. The Vatican's property and investments are valued at \$560 million, of which only \$270 million produces income, Cardinal Caprio said.

The letter does not establish a precedent, but it is a sign that the Vatican's property and investments are valued at \$560 million, of which only \$270 million produces income, Cardinal Caprio said.



PROTEST IN MELBOURNE — Prime Minister Bob Hawke of Australia, surrounded by bodyguards, struggling to get through a crowd of anti-abortion demonstrators in Melbourne after he arrived Sunday to open a community health center. He is traveling the campaign trail for the national election scheduled for July 11.

Iraq Is Said to Get More Chinese Arms

By Molly Moore
Washington Post Service
WASHINGTON — A new shipment of Chinese-made arms, including Badger bombers and Silk-worm missiles, has arrived in Iraq, according to Pentagon sources.

The supplies complete a large order of arms purchased from the Chinese at a time when the Iran-Iraq war is accelerating, sources said.

The shipment also raised new concerns for U.S. officials seeking a cease-fire and planning to begin escorting Kuwaiti ships under U.S. flags in the Gulf next month.

Intelligence reports show that the latest Chinese shipment to Iraq includes four Chinese-made Badger bombers and 30 crates believed to contain Silk-worm missiles, sources said.

They said the shipment "completes a big order" of Chinese-made arms that have been arriving in Iraq for several months.

The four new bombers would give the Iraqis significantly more muscle for their heavy bomber force of about 17 airplanes, according to the "The Balance of Military Power," a defense almanac.

China has consistently denied that it sells arms to Iran. But Reagan administration officials recently accused it of selling Iran 30 ground-based Silk-worm missiles capable of hitting ships in the Gulf.

KOREA: New Concessions Hinted

(Continued from Page 1)
"Just as the Koreans have performed an economic miracle, at least there is a fair chance that they'll be able to perform a political miracle."

An estimated 500 students demonstrated Saturday near East Gate in Seoul; police used tear gas to disperse them. Several hundred others fought police near the main rail station.

In Kwangju, police clashed with about 2,000 students Saturday night, firing tear gas canisters on a main avenue of the city. The students atop three office buildings lobbed firebombs toward police.

Police said they had continued to hold about 800 of more than 3,460 people detained nationwide during the Friday protests.

Meanwhile, prosecutors asked for sentences of up to 15 years for five policemen charged in the torture and death of a student in January.

Public outrage over the death is believed to be one reason why anti-government demonstrations have continued with such force.

When the sentencing requests were announced, according to witnesses, a group of about 100 people, including the student's parents, broke chairs and threw eggs in the courtroom, shouting that the sentences were "too light for murderers."

سكزي، كوري

Beijing Reports Praise by Carter
BEIJING — Former President Jimmy Carter, traveling Sunday from Tibet to Beijing, was quoted by the official Xinhua news agency as saying that freedom of religion, was flourishing in the Chinese-controlled autonomous region.



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Country	1 year	6 mos.	3 mos.
Austria	4,800	2,400	1,650
Belgium	11,000	5,500	3,300
Denmark	2,500	1,400	770
Finland	1,700	950	520
France	1,200	620	450
Germany	2,800	1,400	900
Great Britain	1,300	720	400
Greece	22,000	12,000	6,800
Ireland	1,500	800	450
Italy	380,000	210,000	115,000
Luxembourg	11,500	6,200	3,400
Netherlands	8,500	4,500	2,700
Norway	3,800	2,000	1,100
Portugal	22,000	12,000	6,800
Spain	29,000	15,000	8,800
Sweden	1,800	950	540
Switzerland	510	280	154

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

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WE STARTED WITH A BIG IDEA.

Europe
At a Glance

Country	Area	Pop.	GDP
Algeria	913,000	23.5	1.5
Andorra	468	0.0	0.0
Austria	838,593	38.5	10.0
Belgium	10,593,000	30.5	15.0
Bulgaria	8,953,000	15.5	1.5
Cyprus	770,000	0.0	0.0
Czechia	10,500,000	15.5	1.5
Denmark	5,325,000	3.5	0.5
Egypt	77,000,000	1.5	0.5
France	64,623,000	38.5	10.0
Germany	82,164,000	38.5	10.0
Greece	11,351,000	15.5	1.5
Hungary	10,381,000	15.5	1.5
Ireland	3,761,000	3.5	0.5
Italy	60,463,000	38.5	10.0
Japan	127,847,000	38.5	10.0
Korea	46,068,000	15.5	1.5
Latvia	2,541,000	3.5	0.5
Lithuania	3,121,000	3.5	0.5
Poland	38,131,000	15.5	1.5
Portugal	10,641,000	15.5	1.5
Romania	22,131,000	15.5	1.5
Slovakia	5,441,000	3.5	0.5
Slovenia	2,061,000	3.5	0.5
Spain	45,881,000	15.5	1.5
Sweden	9,091,000	3.5	0.5
Switzerland	7,341,000	3.5	0.5
Taiwan	22,131,000	15.5	1.5
Turkey	70,881,000	15.5	1.5
Ukraine	47,781,000	15.5	1.5
USA	273,601,000	38.5	10.0

World
at a Glance



TBWA



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THEN WE LET NATURE TAKE ITS COURSE.

In 1919 Fredrik R. Bull started with the seed of a good idea. To produce a more efficient statistics processing tabulator.

Nearly seventy years later Groupe BULL is in the same business of data processing and communications. Though of course, the business now is light years away in terms of sophistication, innovation, application and breadth.

BULL is now an international business, operating in 75 countries with 26,800 employees (without counting Honeywell Bull Inc.). And it is the second largest sales network in the world.

This remarkable success hasn't happened just by accident. It has taken careful nurturing.

In particular the last three years leading up to the recent agreement with Honeywell and NEC have proved the most fruitful.

We knew then that we had a unique opportunity. We could provide the market with a genuine alternative source for all their data processing and communication needs.

But to do this we needed support. It was then that we hit on the solution. A very simple formula.

BULL AND ITS CUSTOMERS A WINNING TEAM.

By working with our customers on their individual problems, together we could not only produce adequate solutions, but also we would benefit from having a deeper understanding of the market needs.

So the first objective was for BULL to become flexible enough to be able to respond effectively to the individual needs in an international market.

To achieve this we decided to develop intercommunicating systems that were not only adaptable in the extreme, but that respected our customers' freedom. In other words, systems that would allow any individual workstation to plug directly into other data processing, telematic or office automation services on the system.

Everything that we have done for years in terms of development has been done in line with this strategy.

CUSTOMERS' FREEDOM.

The competitiveness of a company today depends on the quality of its people and the uses made of its capital of information. By developing systems that can communicate more freely with each other, BULL brings its customers a more efficient circulation, but also interaction, with their total capital of information.

For BULL's customers, this greater freedom to communicate means a greater freedom to choose, to combine and, ultimately, to grow.

Freedom to choose among large and medium systems, among scientific and industrial mini-computers, among distributed data processing and office automation systems, among professional micro computers.

Freedom to combine, allowing BULL's products and systems to be integrated into existing structures, even those made with material from other manufacturers.

Freedom to grow, because BULL is dedicated to adapting itself and its solutions to the evolution and growth of its customers.

THE TREE OF COMMUNICATION.

To symbolize BULL's commitment to communication, growth and flexibility, the tree was a natural choice. Constantly evolving, with its roots in

solid ground and its branches reaching for the sky, the tree is present throughout the world, in as many shapes and sizes as there are businesses and organizations.

Small trees, like small systems, need to be nurtured in order to grow. And as they grow, circulation, be it of information or of life-giving sap, is of the utmost importance.

To do this, the tree must draw on all the resources in its environment. The larger the tree - or the system - grows, the more it must communicate, interact and exchange, across time and across space.

This growth happens naturally, but not always predictably, and it is BULL's strength to have understood that companies need the freedom to expand in a way that is germane to their specific concerns and needs.

HONEYWELL BULL INC.: A NEW DIMENSION.

Growing out of our eventual aim to put Groupe BULL at the forefront of the world computer market by 1990 was our agreement with Honeywell and NEC to form Honeywell BULL Inc.

This not only gives us the complete spectrum of computer hardware and software we need for the benefit of our customers. But it will also add considerably to our detailed understanding of the global market, and give us a worldwide presence and size to face market requirements.

For Groupe BULL, control of Honeywell BULL Inc. is furthermore an outstanding opportunity to complete its European presence and gain access to the US market by benefiting from the close ties established between BULL's teams and those of Honeywell over the past 17 years.

In light of this agreement, the expansion of cooperation with the Japanese group NEC is in keeping with BULL's strategy of alliances in which it is presently engaged with European industrialists.

PREPARING THE GROUND FOR FUTURE GROWTH.

Heavy commitment to a continuing program of research has to be at the root of all our future developments.

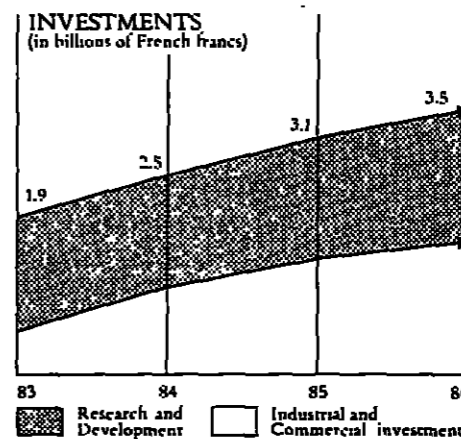
Our program is as deep as it is broad to give us the strongest of foundations. And it is carried out in line with our strategy of cooperation in partnership with both university and industrial laboratories.

So, for instance, in conjunction with other major European computer companies, we are exploring the area of artificial intelligence and the products that can be developed from it.

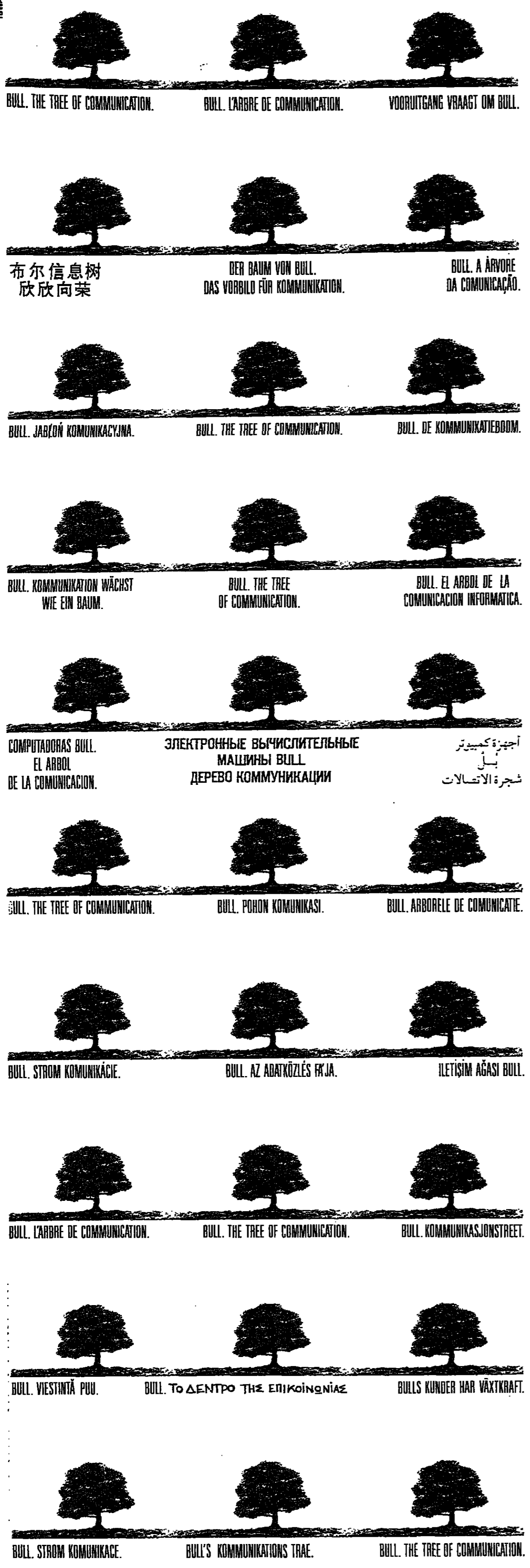
We are involved with our customers to help them improve the efficiency of the software they have developed themselves.

We are part of a consortium that has developed the software now adopted by the European Esprit program.

In fact, on the Esprit program alone, we are participating in over thirty projects with more than a hundred different partners in industry and the universities.



NOW WE'RE SPRINGING UP ALL OVER THE WORLD.



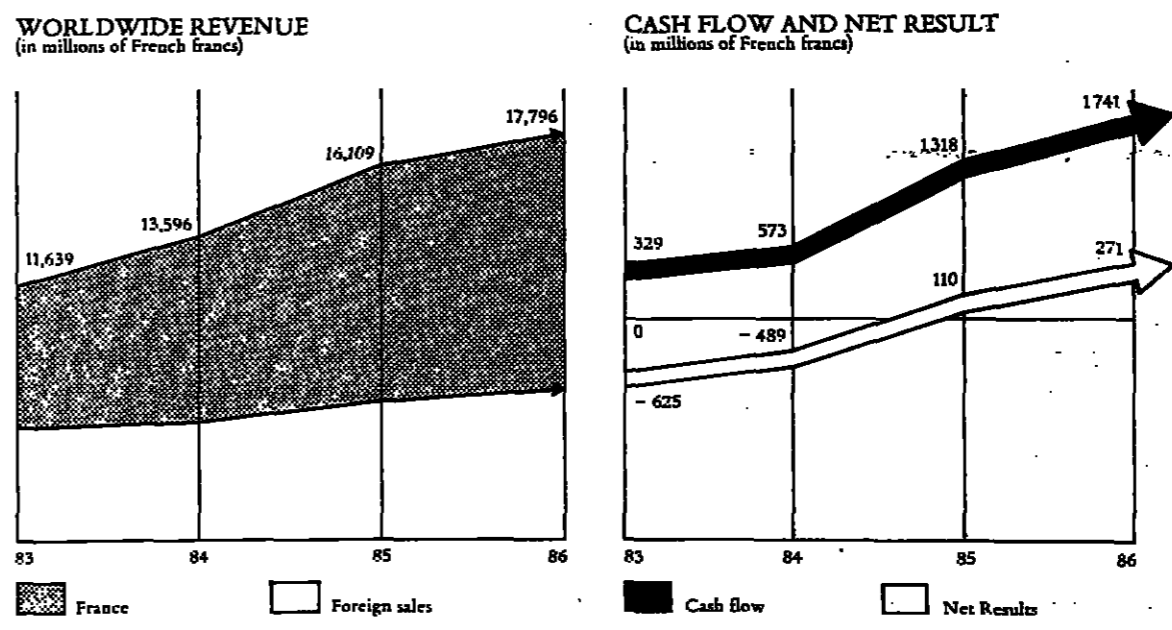
ONE FRUIT OF OUR EFFORTS: THE BULL CP8* SMART CARD.

True to its goal to remain in the vanguard of technological progress, BULL has developed the BULL CP8* electronic micro circuit card. Already familiar as a means of electronic payment, the BULL CP8* card, with its indelible logic memory and microprocessor, can be used to control access to central computers and data bases, while protecting the privacy of data transmitted over public and private networks in remote data processing and telematic applications. The BULL CP8* also provides the possibility of a portable individual file, containing personal and confidential data. The key feature of this advanced new product is its absolute security, due to the use of confidential codes in the card's microprocessor, the tamper-proof nature of the program used, and a built-in self-neutralizing structure. With the BULL CP8*, BULL is already branching out into the future. * Innovatron Licence patent, 09.06.76.

TRAINING FOR MORE FRUITFUL RESULTS.

In one way, our business is all about intelligence. And that is a human ability which is totally dependent on the quality of our international staff. A team of 26,800 men and women. We believe the more we help these individuals develop their talents, the more we encourage them to cooperate and to work as a team, the more it will benefit our customers, ourselves and our staff. To this end, BULL created a special quality control division in order to ensure no-fault performance at every level of the group's operations. Each of BULL's 26,800 employees, from the receptionists right up to top management, has taken an extensive quality training program to guarantee BULL's customers complete satisfaction, whatever their specific needs or requests might be. As we believe so strongly in working in partnership with our customers, we carry out a multinational annual survey of customer satisfaction with the aim partly to correct any faults in our services, but mainly so that we can anticipate any changes in their needs.

THE SWEET SMELL OF SUCCESS.



The policies which were first implemented in 1983 are beginning to bear fruit. The financial situation continued to improve during 1986. Net profit was up more than two and a half times over the previous year: FF 271 million in 1986 compared to FF 110 million in 1985. Revenue was also up, 10.5% to FF 17.8 billion, including FF 6.1 billion realised outside France. Cash-flow represented 9.8% of revenue and was up to FF 1,741 million in 1986 against FF 1,318 million in 1985. BULL and its customers indeed form a winning team. BULL. The tree of communication.



شركة بيل

NASDAQ National Market

OTC Consolidated trading for week ended Friday, June 26

Table with multiple columns listing various stocks and their prices. Includes sub-sections for A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Mutual Funds

Flowers as of close of trading Friday, June 26

NEW YORK (AP) - The following mutual funds, as of the close of trading Friday, June 26, were among the top 100 mutual funds in the industry...

Value of assets (in \$ million)

Table listing mutual funds with columns for fund name, assets, and other metrics.

Table listing various stocks and their prices, including sub-sections for A through Z.

American Exchange Options

Flowers as of close of trading Friday, June 26

Table listing American Exchange Options with columns for option type, price, and other details.

New International Bond Issues

Compiled by Aimee Potter Hardoux

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, and Terms. Includes sections for Floating Rate Notes, Fixed-Coupon, and Equity-Linked.

DEBT: Novel Repayment Solution for Mexican Company Suggests Global Applications

(Continued from first finance page) leasing company close to bankruptcy from trying to service \$33 million in foreign currency bank loans...

ly lent, although much later than they had expected when they extended the loans. In the meantime, Arrendadora will continue to pay interest to the banks. But in exchange for this guaranteed repayment, Arrendadora is slashing in half the rate of

on the values of their outstanding loans. The restructuring will leave the company solvent, Mr. Schirano said. He added that the company would service interest on the new security out of its current cash flow. Mr. Schirano said he believed the

of the oil exporting states. Also, not all the money is owed to the banks. Rimmer de Vries, chief economist at Morgan Guaranty Trust Co., estimated in an interview that less than \$400 billion in debt would be involved in the key debtor countries. More than half of that would

the World Bank. The bank could then buy the zeroes and lend them to developing countries. As shown by Arrendadora Atlas, the superior credit backing would justify a sharp reduction in the leading charges imposed by the banks. As for the 20-year waiting period before being repaid, banks have already agreed to reschedulings stretching 20 years and still have no assurance of repayment.

The new debt plan, by using U.S. government bonds, could help finance the huge U.S. budget deficit and recycle trade surpluses from Japan and West Germany. This in turn could foster greater economic growth, less protectionism and more currency stability.

TECHNOLOGY: New Equipment Cutting Productivity in U.S. Service Industry

(Continued from Page 1) delay in ticketing caused by computer failures. In the retail trade, cash registers have been computerized and shipping, receiving and inventory systems modernized, but productivity growth of the 19 million workers has barely topped 1 percent annually.

division that issues policies will depend on one system instead of two, a change that should cut the time needed to prepare a policy from 14 days to two. Nationwide, the service sector has not been able to outpace manufacturing, despite expenditures of between \$600 billion and \$800 billion since the early 1970s on computerized equipment, according to the Labor Department.

technique could be applied throughout the developing world. At first glance, applying this scheme to the total Third World debt problem looks overwhelming. The debt now totals about \$1 trillion. That amount dwarfs the volume of U.S. Treasury bonds that could be stripped into zeroes. In addition, finding the money to buy the zeroes is another problem. However, these global numbers distort the situation. Not all debtor developing countries are in crisis; witness the strength of the countries in Southeast Asia, and many

have to be taken off the books to restore confidence. As for where the money would come from, Mr. de Vries suggested that the major debtors such as Mexico and Brazil could use a portion of their existing large reserves. Mayer Rashish, former U.S. undersecretary of state for economic affairs and now a private consultant in Washington, had another suggestion. Mr. Rashish, a strong proponent of defeasance, said in a telephone interview that Japan could lead its pledged \$20 billion to

in return, the World Bank would be in a position to insist that the debtor countries pursue economic policies aimed at restoring their health and, at the same time, to elicit from the banks extensions of new loans to finance development. In theory at least, U.S. commercial banks should be able to move loans backed by U.S. government zero bonds from being classified as a credit to, say, Mexico to a credit extended to the U.S. government. Since they would need to hold less reserves against this credit, they would save money. The classification move would also open room within each bank's lending limits to make new loans to debtor countries.

Bonds Stable On Clashing Influences

United Press International NEW YORK — U.S. government bond prices had a stable week, finishing unchanged to slightly lower, as investors weighed conflicting market factors. Favorable for bond prices were a steady dollar and news that con-

sumer prices rose a modest 0.3 percent in May. Disquieting was the absence of strong investor demand Friday for the two-, four- and seven-year notes the Treasury sold to government bond dealers last week. The bellwether 8 1/2 percent 30-year Treasury bond closed Friday at 102 1/2, for a yield of 8.48, unchanged from the previous week. Philip Braverman, economist at Irving Securities, said bond prices should soon perk up. He cited a near-complete respite from new auctions of Treasury notes or bonds until early August, a strong dollar, ebbing inflation fears, weak money growth and an economy neither strong nor weak.

Table titled 'U.S. Consumer Rates' with columns for Item, Rate, and Date. Includes items like 30-day T-bill, 1-year T-bill, etc.

EUROBONDS: Foreign Exchange Volatility Cuts Demand for Funds

(Continued from first finance page) from competition among banks seeking to win new business by offering swaps at rates that could otherwise not be achieved. The annual report of the Bank for International Settlements issued in June estimated that 20 percent of new international bond issues last year were the object of currency- or interest-rate swaps. The BIS added that "issuing activity in some of the smaller currency sectors seems to have been almost entirely swap-driven. At least 70 percent of new issues in Australian and New Zealand dollars were swapped by borrowers into other currencies."

The increase in activity in several European currencies, such as the French franc, Dutch guilder and Danish krone, also appears to have been largely related to swap operations, it continued. "Moreover, nearly 50 percent of new issues of yen-denominated bonds were swapped."

ing warrants to purchase securities. More than 90 percent of the issues of equity-warrant bonds were Japanese companies. In these issues, the dollar was merely a currency of convenience for the issuer. The bonds and the warrants are immediately separated and trade independently, leaving the bonds with their ridiculously low coupons of less than 1 1/2 percent offered in the market at enormous discounts from face value. Ultimately, these deeply discounted straight bonds are bought by professionals, swapped and re-marketed as floating-rate notes. This was the case last week with FRNs sold by CIVAS 2 and Tops Series V — special-purpose companies created to serve as the issuing vehicle. The Japanese ex-warrant bonds usually carry the guarantee of a major bank and thus are high quality. The repackaging produces an attractive yield — some 15 to 17 basis points over the benchmark London interbank offered rate for Eurodollar deposits. Meanwhile, with the Tokyo

stock market showing signs of finally topping out, even the warrants began losing appeal and the bulk of the issues launched last week traded at substantial discounts even with the warrants still attached. As expected, Toyota Motor last week launched its \$800 million of five-year warrant bonds — the largest issue yet seen. The indicated coupon is 1 1/2 percent. Taking into account the expected stock purchase price of 2 1/2 percent above the prevailing Tokyo quote, and the interest income lost by holding such a low-coupon bond, the effective premium of the warrant is estimated at 30 percent. With the Tokyo market down overall and auto stocks not in favor, Toyota's paper was not selling well and the price was maintained at a discount of 1 1/2 points thanks to heavy support from the lead manager, Nomura International Ltd.

While the swap activity also helps to explain why the yen has captured a much larger share of the total market than the Deutsche mark — from which swap opportunities are much less abundant. The Salomon Brothers figures show that \$30.6 billion of U.S. dollar Eurobonds were issued in the first six months. Of this, straight bonds accounted for \$24.27 billion. (Another \$2 billion was in FRNs and \$4.3 billion was in convertible bonds that can be exchanged for stock.) However, what the Salomon figures do not show is that almost half of the straight-bond volume — some \$11 billion — was debt carry-

Advertisement for PEFCO Private Export Funding Corporation. Features text: '\$150,000,000 PEFCO Private Export Funding Corporation 5.60% Secured Notes, Series Y, Due June 30, 1994'. Includes a list of financial institutions and a small table of U.S. Consumer Rates.

Handwritten signature or stamp at the bottom of the page.

PARACHUTES: Rich Severance Payments for U.S. Executives Have Become Common Practice

(Continued from Page 7)

their senior executives are assured a safe landing in the event of a change of control, if indeed they have not already done so.

"Severance issues used to be dealt with on a gentlemanly basis," said E. Webb Bassick, a partner with Hewitt Associates, an executive compensation firm. "But we have entered such a fierce environment of competition with unfriendly raiders that the gentlemanly ways have been tossed out."

Originally, parachutes were billed as weapons to discourage pesky suitors. But that threat proved virtually worthless in the multimillion-dollar corporate takeover game.

"It's like a mosquito bothering an elephant," Mr. Dwyer said. "Instead, the payments have become another requisite of power."

JWT Group Inc., the advertising agency that agreed Friday to be acquired by Britain's WPP Group PLC, had quickly approved "severance agreements" for 26 key employees when WPP first came calling. These guarantee cash equal to

triple the employees' salaries and other benefits for three years.

Gillette Co., a veteran of the takeover wars, has in place a parachute that would triple almost all its employees' salaries for five years. Reunion is trying to buy Gillette for the second time.

Merrill Lynch, CBS, Baxter Travenol and scores of other companies now routinely offer special compensation for executives who leave top offices because of a change in management or for other reasons. More than 40 percent of major U.S. companies now have parachutes, said Mr. Bassick at Hewitt Associates.

Increasingly, not only a takeover fight but, say, getting thrown out by the board can result in a lucrative parachute. Mr. Ferris fell out with the Allis board. Thomas H. Wyman, the former CBS chairman, departed with a generous parachute. Michel Vailland, who was chairman of Schlumberger Ltd., as the oil-service giant was being ripped apart by family feuding, was ousted with at least \$5.6 million.

When he retired in May, E. F. Hutton's former chairman, Robert

M. Fomon, who headed the brokerage firm during the worst scandal in its history, got \$4 million in cash, and a subsequent award of \$465,000 annually in additional pension benefits and a consulting contract with Hutton that could be

Kidder agreed this month to pay the federal government \$25.3 million to settle allegations that it made millions in illegal trading during Mr. DeNunzio's tenure, though he has not been accused of wrongdoing.

Workers look at golden parachutes and say, "Why should I knock myself out for this company?"

—Robert B. Reich,

Professor of political economy at Harvard University's John F. Kennedy School of Government

worth \$3.5 million. His salary was \$1.25 million a year.

Similarly, the housecleaning on Wall Street resulting from insider trading scandals apparently has its rewards. When General Electric Co. replaced the top management of its Kidder, Peabody Group subsidiary last spring after an internal investigation of the firm's role in insider trading, the company said it would honor the employment contract of its former chief executive officer, Ralph D. DeNunzio.

A study of 1,500 companies completed last year by Mr. Dwyer's firm showed that more executive employment contracts were written in 1985-86 than during any previous two years. They protected a larger number of executives and their potential cost grew to an estimated average of \$4 million, with the most generous costing about \$60 million.

Most of these parachutes, which usually provide a healthy multiple of salary and a variety of benefits,

were installed to cushion a drop from the corporate hierarchy after a takeover, the study showed. But a third of them could be triggered by loss of a job for any reason.

Both the size of contracts and their growing number have made them the center of a debate over the proper pay for a chief executive.

"From the beginning of time and forever the question will be how little should a bad one be paid," said Mr. Agee, who popped open a \$4 million parachute after he sold Bendix to Allied Corp.

Robert B. Reich, professor of political economy at Harvard University's John F. Kennedy School of Government, views parachutes as a form of bribery that suggests that managers would not act in the interest of shareholders otherwise.

He also thinks they hurt productivity. "Workers look at golden parachutes and say, 'Why should I knock myself out for this company?'" he said.

The union leadership at Time Inc., for example, is unhappy with a \$4 million severance package a former Time Inc. chairman, Ralph

P. Davidson, is collecting now and after his retirement from the board at the end of next January.

Among other payments, Mr. Davidson, 59, will receive a \$415,000 guaranteed salary until his retirement, as well as a bonus, a two-year consulting contract, pension benefits and \$18,500 in legal fees. His salary was \$73,799 in 1986.

"I think it's an expensive squeeze play at the top at a time when many people are losing their jobs at the company," said Key Martin, unit chairman at Time Inc. for the Newspaper Guild of New York.

Similarly, employees at CBS who have lost their jobs since Laurence A. Tisch took over as chief executive looked askance at Mr. Wyman's settlement and that of Van Gordon Sauter, who was president of the troubled CBS news division.

Several other CBS executives have employment contracts, some with special provisions that protect them in the event of a takeover.

There are also silver parachutes, such as the one installed by the airline America West covering 5,000 workers.

behavior at the University of California's business school. Finally, though parachute supporters say the payments are small relative to a company's assets or the prices struck in takeover deals, some experts claim that paying parachutes detracts from the value of a company.

Some shareholders and critics of parachutes in general are also averse over how they are installed. Although such packages have to be disclosed in companies' proxy statements, many are nearly impossible for the average shareholder to understand.

Another sticking point is when parachutes are approved. Many a sudden exit of an executive comes with a last-minute parachute approved by a sympathetic board.

"Some of these benefits cannot be ascertained until we come to the moment of truth," said Graef Crystal, a professor of organizational

behavior at the University of California's business school.

Finally, though parachute supporters say the payments are small relative to a company's assets or the prices struck in takeover deals, some experts claim that paying parachutes detracts from the value of a company.

Some shareholders and critics of parachutes in general are also averse over how they are installed. Although such packages have to be disclosed in companies' proxy statements, many are nearly impossible for the average shareholder to understand.

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NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued)

Table listing NASDAQ National Market data, including OTC Consolidated trading for week ended Friday. Columns include stock symbols, prices, and volume.

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The Global Newspaper.



MBA: U.S. Programs Seeking to Create Market Niche as European Demand Grows

(Continued from Page 1)

doubled since 1974, to 650 from 325. But that, too, is changing. Many MBA programs are starting to feel the pinch, in particular the lesser-known private institutions whose names lack the resonance of Harvard or Stanford. Mr. Kurish says that, at Hartford's Barneby School of Business and Public Administration, enrollment has fallen in recent years by as much as 7 percent a semester.

No one is sure exactly how many U.S. business colleges have come to Europe, though the figure in Paris gives a clue: at least three in the last couple of years. The invasion has taken two forms: separate campuses, such as Hartford's, and links with established European schools, usually exchange programs for students and teachers.

Virtually all the better-known U.S. schools, and many others, have chosen the second approach. For example, Clark University of Worcester, Massachusetts, considered opening a program in Paris but finally decided on a link with the Ecole Supérieure de Gestion, a French undergraduate business school, that will allow ESG graduates to get their MBAs from Clark's home campus in as little as eight months, if they are qualified.

Other schools, such as Hartford, are jumping headlong into Europe, establishing separate campuses and English-language programs from their home bases. The aim, they say, is to enhance the reputation of the home campus and eventually raise enrollment there.

"The European program will not make money for us in any of their locations," said William J. Duggan, dean of Webster University's graduate school in St. Louis, Missouri. "What we want to do is get the European programs at a break-even point," he said. "The payoff will be that, once our American students realize that we have these options," the programs "will bring students to our campus here."

Yet educators say these programs' separatism raises concern about their quality.

To save money, the branches generally use very little faculty from the home campus, relying instead on "adjuncts" from the communities where they are based. They often lack adequate libraries and other facilities. And so that the programs will be cheaper, they are shorter than the two-year equivalent required by the American Assembly of Collegiate Schools of Business, the body that accredits MBAs in the United States.

For these reasons, officials of the St. Louis-based assembly say, none of the U.S. colleges offering separate programs is accredited by the body, either in the United States or in Europe, though most of the colleges are accredited on a much broader basis by regional author-

ities that do not pass judgment over specific academic curricula.

"It is awfully hard, that many miles off, to monitor quality and maintain the kind of program that you'd expect on the home campus," said Charles Hickman, the assembly's director of projects and member services.

Of the 650 MBA programs in the United States, 222 are accredited, including those of all the top schools except for Yale's very traditional School of Organization and Management.

B. Bonnie Baranowski, assistant dean at the Barneby school in West Hartford, denied that accreditation was "an indicator of quality" or of minimum professional standards. Now, however, it is reconsidering that decision, she said.

The risks of coming to Europe can be great. North Texas, for example, canceled a faculty-exchange program with a Zurich graduate school when the Swiss school began using the Texas university's name and logo on diplomas.

Planning problems forced Clark to delay the start of its program, while Hartford's original French partner went out of business just after the Paris program got under way. Now it has a new partner.

Webster University was one of the first U.S. schools to decide that the risks might be worth taking. If Webster is better known than Hartford in the United States, it is probably less for its parent campus in St. Louis than for a dozen or so satellites across the United States.

The university, founded in 1915, has been one of the most aggressive in the country in opening campuses near military bases and in other areas where the supply of inexpensive part-time college courses has not kept pace with demand.

Webster's first European branch, in Geneva, was created to cater to that city's large English-speaking diplomatic community. It has since added campuses in Vienna, London and Leiden, Netherlands.

The programs rely heavily on adjunct faculty, but officials deny that quality is a problem.

"Curriculum is controlled from St. Louis," said Robert D. Brooks, the Vienna director. "We can propose, but St. Louis must sign off. St. Louis monitors us closely. Every syllabus goes to St. Louis."

Most students study a business

curriculum, but the campuses offer courses in the liberal arts as well.

This is not the case with Hartford, whose Paris campus offers only an MBA program, compressed into 12 months. Mr. Kurish said that the curriculum was "intensive" and that the school was serious in its commitment to "excellent" management education.

For example, he said, it flies most of its teachers in from Connecticut each quarter, though it uses occasional free-lancers based in Paris.

"I can't honestly say that you are getting a University of Hartford degree if you're not getting my professors," Mr. Kurish said. "It would be a little dishonest."

IPME Trains Managers for Smaller Firms

By Kurt A. Ruderman
International Herald Tribune

PARIS — Ten years ago, the paths of two ambitious business graduates crossed on the faculty at the European Business School in Paris. Michel Robic, director of the program in finance, and Jacques Bensoussan, head of marketing studies, both had extensive experience as consultants for small and medium-size companies in France.

Dismayed by what they saw as a void in France's elite *grandes écoles* — of which they are both graduates — to meet the specific management needs of small companies, they decided to combine their skills and set up an institution that would focus on developing personnel to fill the gap.

The Institut des Petites et Moyennes Entreprises, IPME, opened in Paris in 1981 with 50 students. The student body has since been expanding at an annual rate of 40 percent. In addition to two schools in Paris and one in Lille, a San Francisco branch opened in March. Branches will open this autumn in Rennes and Metz, France.

IPME instructors are professionals in fields ranging from business to law. They supplement the academic curriculum with on-site training.

Bruno Coia, 22, a sales manager at Optima, joined the software distributing company after serving two internships there as part of his undergraduate training with IPME.

"I chose IPME after looking at several professional schools," Mr. Coia said. "I found them far too theoretical. I did not want to spend 8 hours a day in a classroom."

Pascal Dinga, 23, heads a sales team at France Construction, a subsidiary of Bouygues SA. He

attributes his management success to his practical internship, particularly in the United States.

He recalled that a market study he was doing in the United States for Jouxart, a luxury game manufacturer, had met with little response, a problem that was compounded by a 25-percent decline in the dollar. The experience, he said, gave him an idea for a game that he was able to market successfully on his return to France.

The stagnant economies that afflicted most industrial nations in the 1980s prompted the creation of IPME and similar schools in France. "During this period, large corporations had to deal with a tough home market, and an even tougher foreign one, just barely holding their ground while having to reduce their work force," Mr. Robic said. "However, during this period small and medium-sized companies experienced growth, as well as a rise in employment."

France has 1.5 million companies that fall into the small and medium-size category, accounting for 60 percent of the gross national product and 66 percent of the labor force.

The French government recently awarded a 700,000 franc (\$116,670) contract to IPME and the Université de Technologie de Compiègne to coordinate a campaign to stimulate French exports.

Students qualify for IPME upon receiving their baccalauréat. They must pass tests in analytical skills and English before being admitted to the three-year course, where the emphasis is on practical training, including an internship in the United States. To enter the three-year program of the grandes écoles, in addition to the baccalauréat a student must take a two-year preparatory program where the emphasis is on mathematics.

Chance of U.S. Retaliation Grows Amid Thai Resistance on Copyrights

By Patrick L. Smith
International Herald Tribune

BANGKOK — Alone in East Asia, Thailand is resisting efforts to protect U.S. copyrights, patents and trademarks, leading many analysts to predict that Washington will be forced to retaliate by downgrading the nation's status as a trade partner.

In response to increased pressure from the United States, almost all Asian countries known to violate the intellectual property rights of U.S. companies have introduced legislation in recent months that is intended to curb the "pirating" of U.S.-made products ranging from audio tapes to prescription drugs and computer software.

Thailand's emergence as the only holdout in the region is partly a reflection of its highly nationalistic character and partly indicates a gradual souring of its economic relations with the United States over the past two years.

Although Prime Minister Prem Tinsulanonda appears committed to strengthening Thai regulations on intellectual property rights, the issue has become a potentially divisive one for Mr. Prem's four-party coalition government.

After years of periodic talks with U.S. negotiators, the Prem administration introduced amendments to Thailand's current copyright regulations last month. This has prompted charges from the prime minister's political opponents that the government is displaying weakness in responding to pressure from the United States.

Last week Mr. Prem sought to avoid a damaging confrontation over the legislation by postponing a debate in the Thai parliament,

which goes into recess Tuesday, until after it resumes in September.

Even the most far-reaching proposals advanced by various Thai officials in recent weeks do not address all of the grievances aired by U.S. officials.

"Some of the things we are asking for look as if they're politically impossible for Prem," a U.S. official said recently. "There's no question that we're heading for a period of increased confrontation."

Until recently, pirated audio and video tapes, books, medicines and other copyrighted or patented items were commonplace throughout East Asia. Taiwan was infamous for its counterfeit auto parts and Singapore was known for its trade in music cassettes.

In many cases, such items are still available, although less readily. But U.S. officials are satisfied that most governments are making efforts to strengthen regulations and implement them more forcibly.

In Thailand, however, audio cassettes are still available in any street market for about \$1 and film cassettes can be rented for slightly

more than that. The other main issues here involve unauthorized textbook publishing, the reproduction of patented medicines and the rampant theft of computer software programs.

Last month the Reagan administration's trade representative, Clayton K. Yeutter, received two petitions from U.S. industry groups, one involving pharmaceutical patents and the other from a coalition of businesses concerned with intellectual property rights.

Both petitions called for the suspension of Thailand's privileges under the Generalized System of Preferences, which awards duty-free status to a portion of imports from nations classified under it.

Mr. Yeutter is expected to accept the petitions as matters for investigation and to restart negotiations with Bangkok.

The most contentious aspect of the copyright issue is whether computer software should be covered by Thai law.

Many political leaders, including Deputy Prime Minister Bhisai Rattakul, assert that inexpensive software is essential to the nation's economic development.

The question of trademarks and patents, including those covering prescription drugs, has not yet been addressed. But there is a widespread view in Thailand that copied formulas are necessary to keep medicines within the reach of most Thais.

Mr. Prem's opponents have seized on these issues, political sources say, partly as a means of asserting parliamentary power and the interests of dissatisfied members of the governing coalition.

Other Asian nations have moved to curb pirating of U.S. products from prescription drugs to computer software.

SELECTED U.S.A./O.T.E. QUOTATIONS		
	BID	ASK
Bitter Corp.	1 1/4	1 1/2
Chiron	30	30 1/2
GoodMark Foods	15 1/2	16
MAG Holdings	4	4 1/4
NAV-AIR	3	3 1/2
Spectrodyne	4 1/4	4 3/4

WITH COMPLIMENTS OF CONTINENTAL AMERICAN

These are indicative prices as of June 25, 1987



The Inflight Newspaper is available on international SAS flights.

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SOCIÉTÉ GÉNÉRALE

Run silent, run deep.

SPORTS

SPORTS BRIEFS

Chang Successfully Defends Title 13th Time

INCHON, South Korea (AP) — World Boxing Council champion Chang Jung-koo of South Korea knocked down Augustin Garcia of Columbia three times Sunday, then finished him in the 10th round to successfully defend his lightweight title for the 13th time.

Garcia, ranked fifth, collapsed in the 10th after a barrage of body blows in the scheduled 12-round bout. His record fell to 23-6-3; Chang, 24, raised his to 35-1. The champion weighed in at 107.6 pounds (48.9 kilograms) and Garcia, 27, at 107 pounds.

Chang, who won the title from Hilario Zapata of Panama in 1983, attacked from the outset, while Garcia used hit-and-run tactics. Chang twice floored his opponent with jolting hooks in the seventh round and once in the eighth.

Azinger 3-Shot Leader in U.S. Golf Tourney

CROMWELL, Connecticut (AP) — Paul Azinger shot an eight-under-par 63 on a rainy Saturday to hold a three-stroke lead over Wayne Levi after three rounds of the Greater Hartford Open golf tournament.

Azinger, the PGA tour's No. 2 money-winner this season, birdied the third through fifth holes, then birdied Nos. 7, 10 and 11 and closed his day with birdies on 17 and 18. His bogey-free round fell one stroke short of the course record set by last year's winner, Mac O'Grady.

Levi, who shot 64 for the opening round, carded 68 on Saturday and was at 200. Bernhard Langer of West Germany, the 36-hole leader off a second-straight 65, faltered to 72 and dropped into a tie with Gene Sauers at 202. Sauers shot 68 Saturday.

Heavy rain interrupted play for 1 hour and 40 minutes before the leaders teed off, and it rained most of the afternoon. Aki Ohnishi of Tokyo was disqualified when he began playing before the siren sounded to officially resume the tournament.

VANTAGE POINT/ Michael Goodwin NCAA to Consider Watershed Proposals

NEW YORK — For some years now, critics of the college sports system have been complaining about an athletic tail wagging an academic dog. Sports, they have said, has become such a big business on many campuses that all notions of education, at least for the athletes, are swept aside in the clamor for victories, full stadiums and television contracts.

Not incidentally, many of those critics are university presidents. Where once these chief executives could bask in the glow of the success and attention that their athletes brought, more recently they have suffered a different kind of attention, generated by scandals of improper payments, drug abuse and academic fraud.

The next few days may show what that debate has added up to and what direction it is likely to take. On Monday the National Collegiate Athletic Association begins a special convention called by its presidents commission, created four years ago as a means for university heads to reassert some control over their athletic departments. The commission has asked representatives from the nearly 800 colleges and universities that are members of the NCAA to gather in Dallas to discuss and vote on proposals it believes address the ills of college sports.

Issue No. 1, according to the presidents, is something they call a "national forum" aimed at identifying the proper role of athletics in higher education. The presidents have put before the convention a proposal to authorize a series of studies and meetings over the next 18 months to show the effects of sports on the athletes and on the schools. How that proposal fares, and the tone of the debate about it, will give some indication of where college sports are headed.

Other proposals would shorten playing and practice seasons slightly and would reduce by a few the maximum number of athletic scholarships allowed. While these proposals are not radical, the cumulative effect amounts to a test of which faction is running the NCAA. "The college presidents have already spoken

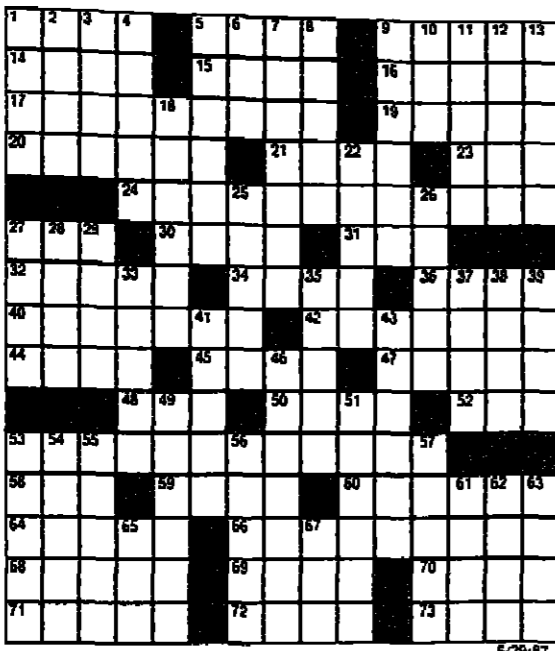
on the philosophical questions of academics," said David Crawford, an assistant executive director of the NCAA. "Nobody can be against that. But this convention will identify how they handle the nuts and bolts. They're going to have to zero in on how they want athletics run on their campuses."

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—David Crawford, assistant executive director of the NCAA.

Reform, of course, is a continuing proposition. Many schools have mandatory drug-testing policies for athletes, and last year the NCAA conducted its own tests at championship events and postseason football games. Last year was also the first time freshman athletes were required to meet tougher academic requirements, such as having at least a minimum score on standardized comprehension tests.

The push is now on for even more changes, in part because recent scandals have shown that the underside of big-time sports can be hazard-



ACROSS 1 Canines 5 Quasi 9 Kitchen implement 14 Opera highlight 15 Nobelist in Literature: 1947 16 Sierra 17 Home décor 19 "As You Like It" forest 20 Scheduled 21 Cole Porter's "I Love Love" 23 Feminists' goal 24 Hot-weather home adjunct 27 Bit of butter 30 N.Y. canal 31 Where Springsteen was born 32 Lesson 34 Cell-nuclei substances 35 — avis (oddlity) 40 "Anna —" Yordan play 42 Ebbs 44 Cease 45 Invitation abbr. 47 Contrats for collis 48 Suffix with Annam 50 Role for Jose Ferrer

Solution to Friday's Puzzle

MECCA SOME SLAW ALARM QUIT KAMA RONIE URSAMINOR ENTISSE SPIDERY RIAG EIKI ZAIRE AIAI GREY VIDALE JUBAL RHO ALAMO ABACI OUCH HOP HALS ALTO TONE ANAREST AXOLOTL VOLUNTEER ALBEE OMAN IRID SEEDS WEST ANNIS TRYST

For the Record

Sir Harry Lewis, ridden by John Reid, won the Irish Derby by three-quarters of a length over Nabeez at The Curragh in a race delayed for nearly an hour Saturday by a bomb scare. With a purse of £500,000 (£800,000), the 1 1/2-mile turf event is Europe's richest race, but it drew a field of only eight, its smallest in 27 years.

Sheila Hudson of the United States surpassed her world best in the triple jump at a track and field meet Friday in San Jose, California. Hudson's leap of 45 feet and 5.25 inches (13.85 meters) surpassed the mark of 45-2 1/2 she set June 6.

WORLD STOCKS IN REVIEW / Via Agence France-Presse

Amsterdam

The mood on the Amsterdam Stock Exchange ranged from firm to bullish, helping set new highs for prices and turnover. Strong gains for international issues pulled the market to a record on Monday, as the ANP-CBS general index broke through last September's all-time high of 301.0 to 303.6. By Friday, it had reached 305.6, after 297.4 the previous Friday.

week, with the new Bourse settlement period, but had two poor sessions before recovering on Friday. The CAC index rose slightly to 401.4 on Friday from 400.6 the previous Friday. The Paris Bourse has become more fragile the last few weeks because of poor economic indicators and uncertainty in the French political atmosphere. It is thus less able to handle weakness in the dollar, and the resulting upward pressure on dollar interest rates.

Frankfurt

The firmer dollar, which will help West German industrial exports, gave a firm tone to the West German stock market, as did more optimistic domestic growth forecasts. The Commerzbank index closed the week at 1,891.6, up from 1,858.4 the previous Friday. Foreign buyers flocked back to the market, leading to a marked rise in trading volume. Turnover on the eight West German exchanges was 32.20 billion Deutsche marks, against 16.36 billion DM the previous week, shortened by two holidays.

Market participants are now waiting for a moderate summer rally. Last year, after an 11 percent drop in June, stocks rose by 8 percent in July and 10 percent in August.

Hong Kong

Hong Kong's stock market ended on a dull note Friday after a week marked by a record high for the Hang Seng Index, political uncertainty over relations with China and an increase in local interest rates. The Hang Seng Index closed at 3,138.68 points, down 26.96 over the week. A selling spree on Monday was partly attributed by dealers to a half-point increase to 7.5 percent in the local prime lending rate.

Shares maintained their upward momentum, with the Straits Times industrial index hitting record five days running to end Friday at 1,260.77. Average daily turnover was 59 million units. Marine-related stocks did well in the industrial and commercial sector. Activity in the finance sector was up by more than 70 percent, with 29 million shares changing hands. The index moved up 6.16 points to 382.71.

London

Heavy early falls of London stock prices this past week on interest rate uncertainty were reversed by midweek, as domestic and foreign institutional buyers returned to the market looking for bargains. The Financial Times industrial shares index closed up 32.4 points on the week at 1,790.7, after fluctuating in a 40 point range early in the week before a strong rally Friday.

Behind the steady rise were expectations of lower interest rates and stabilizing yen-dollar exchange rates, market sources said. Daily turnover in the major first-section stocks averaged 893.2 million shares, down from last week's 963.4 million.

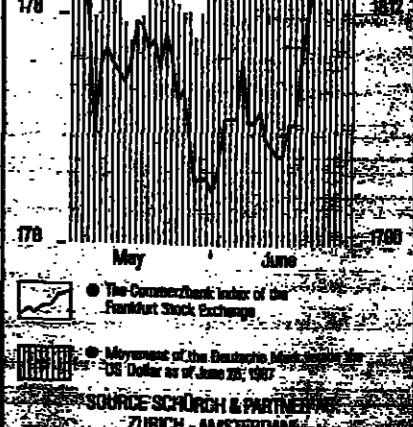
Milan

The Milan stock market was again dominated this past week by a "wait-and-see" attitude on formation of a new government, and closed down 1.33 percent. Volume contracted again, particularly for recently favored stocks. Fiat volume was off by around 70 percent. Montedison: 30 percent, Assicurazioni Generali 60 percent, and Mediobanca 80 percent. Average daily volume was 17 million shares, with a value of 93 billion lire.

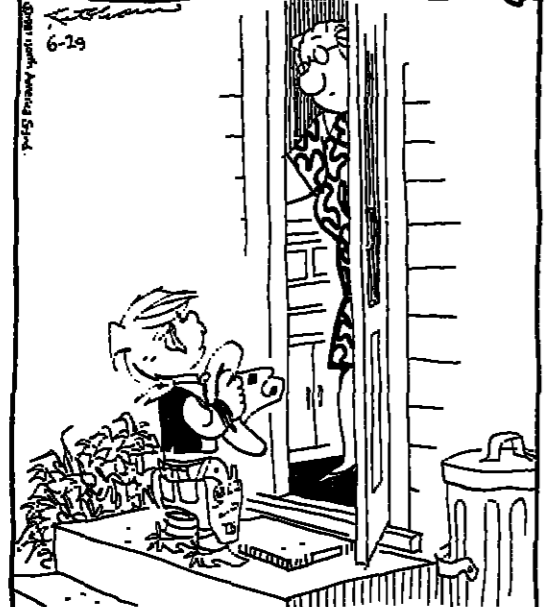
Oliveri shares lost 5.10 percent of their value in five sessions, hurt by pessimistic statements by its chairman, Carlo de Benedetti, on the current financial year, ending at 13,000 lire. Montedison common stock was down 4.69 percent, while Fiat was off by 0.29 percent and Mediobanca by 0.71 percent.

Paris

The Paris stock market, becoming more sensitive to the dollar's ups and downs, had a jumpy ride last week. French stocks were up at the start of the



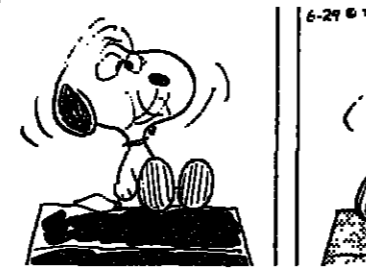
DENNIS THE MENACE



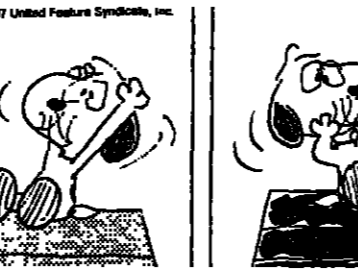
JUMBLE

A word puzzle section with words like WRONG, MYPT, JETNUK, NAWDDE and a grid for the answer.

PEANUTS



BLONDIE



BEEBLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



WEATHER

A table with weather forecasts for various cities including Europe, Asia, Africa, Latin America, North America, Middle East, and Oceania.

MONDAY'S FORECAST - CHANNEL 5, Smooth, FRANKFURT: For, Temp 24 - 15 (W - 5), LONDON: For, Temp 24 - 15 (W - 5), MADRID: For, Temp 24 - 15 (W - 5), NEW YORK: For, Temp 24 - 15 (W - 5), PARIS: For, Temp 24 - 15 (W - 5), ROME: For, Temp 24 - 15 (W - 5), SYDNEY: For, Temp 24 - 15 (W - 5), TOKYO: For, Temp 24 - 15 (W - 5).

SPORTS

Mets Lose Ho-Hitter, Then Game to Phils

PHILADELPHIA — Mike Schmidt's two-out RBI single capped a two-run rally in the ninth inning Sunday afternoon that gave the Philadelphia Phillies...

SUNDAY BASEBALL

reach of center fielder Mookie Wilson, came before a crowd of 52,306, largest this year at Veterans Stadium...

ninth, one-out singles by Gross, Samuel and Rick Schu tied it. After McDowell retired Von Hayes on a fly ball, Schmidt singled.

4-2, Mike LaValliere was intentionally walked to load the bases. Sid Bream walked on a 3-2 pitch and Cangelosi, batting for the second time in the inning, beat out a single to shortstop to score the final run.

scored four Sunday, the nine runs in two games tying a major-league record held by four other players.

McGwire's 3 Home Runs Help A's Crush Indians

CLEVELAND — Rookie Mark McGwire hit three home runs Saturday to lead the Oakland Athletics to a 13-3 rout of the Cleveland Indians.

SATURDAY BASEBALL

first Oakland player to hit three homers in one game, an accomplishment matched only by Dave Kingman in 1984 and now McGwire.

Rangers 11, Twins 6; Rangers 7, Twins 2; In Arlington, Texas, pinch-hitter Mike Stanley greeted reliever Jeff Reardon with a grand slam home run in the eighth to give Texas a doubleheader sweep.



Oakland's Mark McGwire paused momentarily to watch the flight of his third home run of Saturday's game in Cleveland.

Yanks Mayotte, Wilkison Shine In the Spotlight of Center Court

By John Feinscain Washington Post Service WIMBLEDON, England — They turned two Americans loose on Center Court to start the first Saturday of the Wimbledon tennis tournament.

But no one objected. By the time they shook hands 3 hours and 45 minutes after they began, each had won the crowd in his own way.

Twenty-four hours after Boris Becker was shockingly taken out of the tournament, the repercussions were still reverberating around the grounds.

daily struggle, defeating qualifier Richey Renberg, 6-4, 6-7 (7-5), 6-3, 7-6 (7-0). "Anybody who has never won a set or a game in tennis, come on out and play me," Lendl joked.

But it was Mayotte and Wilkison who had Center Court and center stage. Wilkison became something of a folk hero during the U.S. Open last year, upsetting Yannick Noah in the second round and becoming the only American to reach the quarterfinals.

Mayotte made it look easy early, racing through the first set and to a quick break in the second. But Wilkison came back, break after break to 4-4 and breaking again for the second set.



Tim Mayotte ... Methodical and restrained.

He shook a fist — which was often — they roared. Wilkison played the tie breaker about as well as one can, starting with a great stop backhand volley and ending with two big serves.



Tim Wilkison, in full lunge and full cry: "I like notoriety, but you have to earn it."

SCOREBOARD

Baseball

Table with columns for team names and scores. Includes 'Friday's and Saturday's Major League Line Scores' and 'Major League Standings'.

Tennis

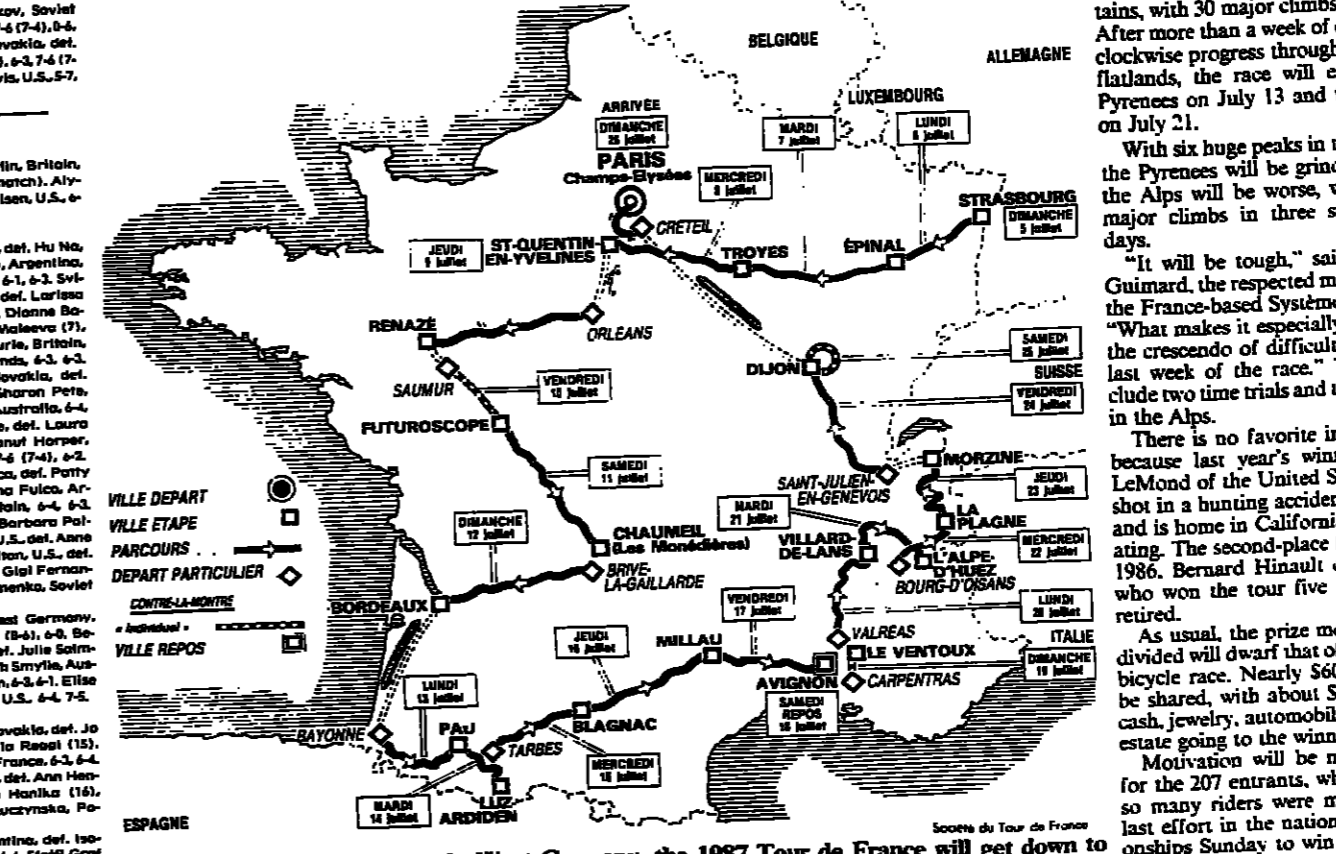
Wimbledon Results

Table listing tennis match results, including Wimbledon results and other tennis matches.

Marginal Riders in Late Push to Make Tour

By Samuel Abr International Herald Tribune BERLIN — Gilles Sanders is a fresh-faced, 22-year-old Frenchman in his first year as a professional bicycle racer.

This will be the eighth time since it began in 1903 that the Tour de France has set off away from home. In just the last decade the race has begun in Frankfurt, Basel and the Dutch city of Leiden.



After four preliminary stages in West Germany, the 1987 Tour de France will get down to business at home Sunday in Strasbourg; the 2,550-mile cycling test will end in Paris on July 26.

Transition

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